

ARTS & HUMANITIES RESEARCH COUNCIL

Annual Report
& Accounts 2011-12



Arts & Humanities
Research Council



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**Annual Report
& Accounts 2011-12**

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Education Act 2004

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The Arts and Humanities Research Council (AHRC) is incorporated by Royal Charter and came into existence on 1 April 2005 under the terms of the Higher Education Act 2004. It took over the responsibilities of the Arts and Humanities Research Board. On that date all of the AHRB's activities, assets and liabilities transferred to the AHRC.

The AHRC is a non-departmental public body (NDPB) sponsored by the Department for Business, Innovation and Skills, along with the other six Research Councils. It is governed by its Council, which is responsible for the overall strategic direction of the organisation.

Arts and Humanities Research Council, Polaris House, North Star Avenue, Swindon SN2 1FL

Diversity and Dialogue



Two features jump out at me as I read this report: the diversity of what we do and the range of dialogues that support our activities. The diversity has to be embedded in a framework so that we can plan effectively and allocate our funds. We present this in our Delivery Plan, in Strategic Plans and papers for Comprehensive Spending Reviews.

It is not straightforward to build an adequate vocabulary to encompass the range of our activities and the dialogues that support them. I look back to our not-very-modestly titled *Leading the World* report of 2009 for help in this respect. We showed there the role of the AHRC in a wider cultural ecosystem and how different kinds of research – positioned on a 'maintenance' to 'development' spectrum – had various types of impact, both economic and civic. I think I would now refer to 'maintenance' as 'scholarship', while the 'development' end of the spectrum might better be seen as representing major discovery at the research front line. All points on this spectrum represent valuable research. Cumulatively, we build an inventory of knowledge that represents the heart of our 'impact'. It is the existence of this inventory that underpins much of the cultural ecosystem, and also explains the attractiveness of the UK for international students and inward investment alike.

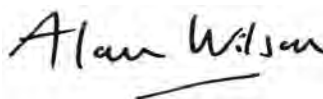
The Council has its own direct glimpse of the diversity of what we fund. We have at least one presentation of a project in each meeting. This year, we had Professor Hamish Frye from Glamorgan University on the creative economy; the leaders of two of the four Knowledge Exchange Hubs – Professors Evelyn Welch from Queen Mary, Jonathan Dovey from UWE and Nick Kaye from Exeter; Professor Simon Keay from Southampton, leading a major archaeological excavation in Italy – the Portus Project; and Professor Robin Aizlewood of UCL describing the work of LBAS – the Language-Based Area Studies consortia, which embrace a range of universities around five centres. We never fail to be impressed!

Support for high-quality research has to be at the core of what we do. Its dissemination (and hence its impact) through the ecosystem is a secondary but important activity – a two-way process characterised as knowledge exchange. This is dialogue about what we *have* funded. The report also captures the variety of dialogues that helps the Council determine what we *will* fund: future research priorities. We sometimes refer to responsive or strategic modes of funding, but this should now be seen as unhelpful: what is demonstrated in this report is that virtually everything we do is based on consultation. We, as a Council, are not in a position to articulate research frontiers: we need to root what we do in consultation with researchers – the academic community, and users – a wide variety of stakeholders. We need to ensure that we have effective dialogue so that we can be confident in our judgements. The 'responsive versus strategic'

distinction then becomes blurred: everything is responsive – based on consultation; and everything is strategic – based on a clearly articulated rationale!

The Council has at least two kinds of challenge. First, being able to interpret the range of advice it receives and to convert this into continuing commitments and new priorities for funding. Second, to make the difficult decisions that are unavoidable because, while we were well supported in the last Spending Review, we do not have the resources to do everything we would like to do. At the broad level, this involves deciding the balance, for instance, between research, postgraduate support and knowledge exchange and the Council takes responsibility for this. At the finer scales, the decision-making falls on our peer review machinery – researchers and stakeholders from our Peer Review College and various panels. We are particularly grateful to the large numbers of colleagues who support us in this enterprise; and as ever, I would add my thanks to the Council itself and to all the staff of the AHRC.

As I write, we begin to discuss our next strategic plan and to think about our case for the next CSR. We will continue to fund a diverse range of projects and schemes and we will consult widely. We welcome the help of all our communities and stakeholders in this endeavour.



Professor Sir Alan Wilson
Chairman, June 2012

Sustaining World-Leading Research



2011-12 marked the first year of the new spending period for the AHRC following the Comprehensive Spending Review of 2010. Therefore the implementation of the Delivery Plan 2011-15 submitted for that review has been paramount.

Alongside the AHRC's historic mission to sustain world-leading arts and humanities research through its established mechanisms of grants and fellowships, the new Delivery Plan includes several fresh initiatives. Establishing a strong basis for delivering these has been a priority during the year, and the AHRC is now in an excellent position to sustain its new as well as its traditional commitments. However, though what follows will emphasise the new, it is important not to lose sight of the AHRC's role in responding to the current work of excellent researchers and supporting it appropriately, and in continuing to develop the next generation of researchers through our postgraduate schemes. Together these comprise about three-quarters of the AHRC's spend and are central to core research across the many disciplines in AHRC's extensive remit.

By all accounts, the Creative Economy is one of the fastest-growing and most dynamic sectors of the UK's overall economy, and much of the work supported by the AHRC engages with it directly and indirectly. This year we have launched a group of new projects to put these relationships on a more established footing and to respond to the dynamic developments introduced by the 'digital revolution'.

In addition to continuing to support the cross-Council programme in the 'Digital Economy', the AHRC has established four Knowledge Exchange (KE) Hubs for the Creative Economy. Based in Dundee, Lancaster, Queen Mary, University of London and the University of the West of England, the KE Hubs will facilitate interactions between the creative research base and user organisations both public and private. It is important to recognise that, though led from these universities, all are partnership consortia designed to spread knowledge across networks both local and national.

In addition to the KE Hubs, the AHRC has also led the establishment of a Centre for Copyright and New Business Models in the Digital Age with EPSRC, ESRC and others, and has two collaborative projects with NESTA: first, with Arts Council England and, second, with Creative Scotland to develop the potential of digital technologies for arts and cultural organisations. We are also funding 'The Brighton Fuse' with the Council for Industry and Higher Education (CIHE), a project to study in real time the effect of clustering in the creative industries in one place, and – as the following pages make clear – we continue to develop major work in museums, galleries and

heritage sites that are such a crucial part of the UK's creative and cultural achievements.

Partnerships and collaborative working are a major thread in AHRC's current work and planning for the future. We will continue to look towards sharing expertise with other funding organisations and helping to develop consortia-based activity amongst the institutions we support. Postgraduate work continues to be funded through the Block Grant Partnership, which, in its second iteration, emphasises more strongly the advantages of consortia development to pool skills, facilities and expertise. Internationally, too, for schemes such as those under the Humanities in the European Research Area (HERA) call, collaboration is essential and we have expanded our International Placement Scheme to include new institutions in the United States and India to give postgraduates and early career researchers the opportunity to work in major international centres. Our new research themes, as well as the cross-Council Connected Communities programme, also emphasise collaborative and cross-disciplinary work.

This year we welcomed Mark Llewellyn as our new Director of Research to succeed Shearer West. Our thanks go to Shearer for her hard work and dedication over the last three years, and we look forward to working with Mark as we take forward our Delivery Plan priorities and prepare for the next Spending Review period.

Much has been achieved this year in establishing a new framework for the AHRC's operations. But frameworks achieve little without the skills and energies of the people who build upon them. So the lasting tribute must be to the AHRC's excellent and dedicated staff, the outstanding network of peer reviewers, advisors and experts who offer so much of their time and know-how from the academic community, and to the members of the AHRC's Council and Advisory Board for their continued support and guidance.



Professor Rick Rylance
Chief Executive, June 2012

Management Commentary

World-Class Research and its Impact

Research Programmes

Postgraduate

Creative Economy

International

Public Policy

Public Engagement

Corporate Activities

World-Class Research and its Impact

Throughout the year, the AHRC has committed support to high-quality research projects across all our schemes. We have also continued to develop and refine our thematic programmes, including the AHRC-led cross-Council programme on Connected Communities. At the same time, the AHRC has enhanced its work with and representation of the UK's arts and humanities research base within an international research environment. The quality of the research projects and the individual researchers we fund ensures that we remain a recognised world leader in excellent research and its impact on spheres outside academia.

Excellence in research

Research grants funded by the AHRC during the last year are reshaping intellectual agendas across and within disciplines. The research grants scheme supports well-defined research projects that work within collaborative and ambitious disciplinary modes. Under this scheme the AHRC funds an extraordinary range of subject areas and topics. Projects awarded in 2011 have included a comprehensive online edition of the theological papers of Isaac Newton, the first complete scholarly edition of the works of Robert Burns and major new archaeological field work on Easter Island, alongside Roman imperial civic identity, early Scottish cinema and creativity in British comedy.

One project launched at the end of 2011 explores the practical uses of drama-based activities in helping autistic children. Bringing together drama and psychology researchers, the University of Kent's Imagining Autism research grant is a collaboration that seeks to remediate the difficulties autistic children have with communication, social interaction and imagination. The Imagining Autism project will see performers working with three special schools in Kent to create magical sensory environments using puppetry, objects, light, sound and digital media. Children at the schools will be encouraged to dream, play and explore and find new ways of connecting with the world around them.

Research Networking

Funding under the Research Networking scheme has also continued to generate new forums for intellectual exchange and the shaping of potential new projects on specific themes, topics or problems. Through use of highlight notices this scheme has also allowed for developmental work on the AHRC's thematic areas to take place in preparation for larger grant calls in 2012/13. Projects funded in the last year include a networking grant that supported collaboration between the College of

Fine Arts at the University of New South Wales, Australia, and researchers at the University of Lincoln's School of Art and Design to explore the forensic art of reconstruction. The network brought plastic surgeons, artists and fine art researchers together to explore the aesthetics of reconstructive surgery and its relation to drawing and modelling artistic practice.

Fellowships

Fellowships and the support of individual high-quality research projects has seen funding allocated to researchers working on topics including avant-garde music, trauma and aesthetics in the feminist museum and suburban modernism. One early career fellow, Dr Marcos Martinon-Torres based at University College London, is using his Fellowship period to explore the relationship between alchemical knowledge and chemistry in the early modern period. Challenging traditional studies and their placing of anachronistic boundaries between alchemists and more respectable chemists, Dr Martinon-Torres advocates a more holistic approach that recognises the similarities in the physical spaces of ancient laboratories and the cross-fertilisation of ideas that enriched the sophistication of both alchemical and scientific knowledge in this period.

This year has also seen a refocusing of the Fellowships scheme. The existing scheme closed to applicants in late 2011 and a new scheme with a deeper emphasis on research leadership in the arts and humanities was launched at the start of 2012. This scheme consolidates Knowledge Transfer Fellowships and Fellowships in the Creative and Performing Arts within a general Fellowship route. In future, Fellowships will provide a longer-term investment in the research capabilities of individual Fellows through an established programme of support with research organisations as part of the funding process. The time commitment and resource requirements are flexible within a broad range of parameters.

The AHRC's funding will ensure that Fellows have the time and resources to undertake activities beyond an individual research project, although individual research excellence through a world-leading project remains at the core of the Fellowship award. Additional activities might include knowledge exchange programmes, international partnerships, public engagement and the inclusion of research assistance on a particular project. The new scheme seeks to ensure a sustainable model of research leadership through engaging research organisations as partners in the development of leadership capacity in the arts and humanities. The scheme has both an early career and a standard route.

It is important to recognise that very often researchers in the arts and humanities receive competitive funding across a number of the AHRC's schemes when completing major projects. One such example that came to fruition during 2011/12 is the work of Professor Robert Bickers at the University of Bristol. His book, *The Scramble for China: Foreign Devils in the Qing Empire, 1832-1914*, received high praise from reviewers including Lord Patten, the former governor of Hong Kong. Writing in the *Financial Times* Lord Patten described Bickers' book as 'a fair and fascinating account'. The research for the publication was supported by various AHRC grants under both the research

processes. Over the last year more than 2,500 peer reviews have been undertaken and 27 panels have met. We recognise the need to be flexible and responsive in our peer review processes where appropriate and we are currently undertaking a fresh look at peer review in practice.

In relation to peer review and demand management, the AHRC has recently taken the decision to amend its grade descriptions for peer reviewers and panels. The changes came into effect in December 2011, and included a revision to our resubmission policy. For applications considered by panels after 1 April 2012 resubmission of unfunded proposals will be by invitation only.

Advisory Board

The AHRC's Advisory Board, which was established in 2010, continued to meet on a quarterly basis throughout the year. Advisory Board is chaired by a Council member and has a membership drawn from experienced researchers, including former AHRC panel chairs, and non-HE research users, including the AHRC's Independent Research Organisations. The Board's role is to maintain the monitoring and oversight of the funding process previously carried out by the Research and Postgraduate Committees, in particular receiving information about panel meetings, success rates and other application indicators.



“ IWM is delighted to have the IRO status, which is allowing us to pursue our research ambitions in a much more ambitious and strategic way than we could before. Our collections have long been used by historians and others with an interest in the impact of war, and we are working with them and others to open up more research opportunities and develop new partnerships with academic research teams. ”

Diane Lees Director-General of the Imperial War Museums

grants and research leave schemes to undertake the archival work, overseas trips and provide time for the completion of the manuscript. Importantly, the example serves to highlight how responsive mode funding under our standard schemes incorporates elements of international activity, networking and fellowship time within single projects.

Peer review

Peer review activities and funding recommendations at the AHRC depend upon the support and commitment of our Peer Review College. With a membership standing at over 1,500 reviewers, the AHRC's College represents the full range of disciplines under our remit and includes significant numbers of reviewers with particular strategic, technical, international, knowledge exchange and non-HEI expertise. The recruitment campaign at the end of 2011 generated over 310 nominations for new members and more than 220 new members were appointed. This reflects not only an interest in engaging with the AHRC and the research it funds but also a recognition of the value to individuals and institutions in becoming involved in the AHRC's decision-making

Importantly, the Board also serves as a group of advisors to the AHRC's Director of Research on the development of schemes and programmes, and acts as a consultation group for emerging issues.

Independent Research Organisations

The AHRC's Independent Research Organisations (IROs) have engaged researchers through a number of our schemes, including the Collaborative Doctoral Awards programme. This remains a popular route for both emerging and established collaborations between research organisations and institutions in the cultural and creative sectors to come forward for funding to co-supervise research students. The most recent AHRC-recognised IRO is the Imperial War Museums, which joined in 2011. Cultural organisations beyond the IROs have also engaged with this scheme, particularly on projects related to cultural heritage. Several IROs are contributing to our other schemes such as the KE Hubs for the Creative Economy and our theme-related projects. ►

Impact

The AHRC has continued to lead on questions of research impact in the arts and humanities. In early 2012 we published a report entitled *The Impact of AHRC Research*, which reflected on the multiple ways in which research we fund involves participation in the creative industries, cultural sector and social issues. Our insight into the evaluation of research excellence with impact has also been recognised by international partners. Members of the AHRC's International and Evaluation Teams

have provided training and support to European research funders in the development of impact assessments specifically around the Humanities in the European Research Area (HERA) projects funded under the 2009 research calls. Through our meetings with subject associations, public events and institutional visits we have continued to provide advice and support to academics and have enhanced the case studies provided on the AHRC website.

Transforming the scholarly landscape

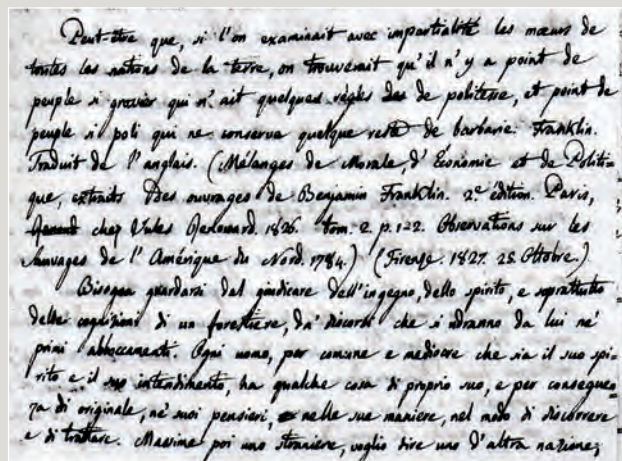
AHRC-funded projects such as those outlined below are re-shaping intellectual agendas and delivering outputs of international significance.

Following an award of nearly £1m from the AHRC, a team at the University of Glasgow's Centre for Robert Burns Studies is working on the **first complete scholarly edition of the works of Robert Burns (1759-96)**. The project will see the publication of six volumes over the next eight years, including *The Oxford Handbook to Robert Burns* and *The Collected Prose of Robert Burns*, with another six to follow in the next decade. The centre is the only one of its kind in the world and the project is addressing what is seen as a growing area of study, but one neglected for many years.



Image courtesy of the University of Glasgow

Giacomo Leopardi (1798-1837) is Italy's greatest poet after Dante. His philosophical reflections anticipate many critics of modern Western culture, from Baudelaire to Nietzsche, to Benjamin and beyond. The AHRC is funding the **Zibaldone project at the University of Birmingham** to prepare a critical edition of Leopardi's philosophical reflections as given in more than four thousand pages of his notebooks, known in Italian as the 'Zibaldone di pensieri'. The edition includes notes and commentary specifically written for the English language edition, analytical indexes, a listing of Leopardi's sources and an extensive introduction written by the editors that places Leopardi's work in a wider European perspective, something that tends to escape purely Italian readings of the Zibaldone.



The Gascon Rolls shed considerable light on English government of the Duchy of Aquitaine, the last major continental possession of the English crown, its administration, its social, economic and political history and its relations with successive Plantagenet kings. **The Gascon Rolls project**, a collaboration between the universities of Oxford, Liverpool and King's College London has since 2008 been making the rolls accessible to researchers and others, providing a full calendar (summary translation) edition of all the unpublished rolls between 1317 and 1468. The edition is available alongside high quality digital images of the original rolls provided by The National Archives alongside extensive fully-searchable indexes and a full historical introduction, making the edition an invaluable resource for scholars.

AHRC Themes

Following consultation with the research community through Future Directions for Arts and Humanities Research (2009) the AHRC began the process of developing four broad research themes. Our commitment to the themes was restated in the Delivery Plan and the last 12 months have seen an intensive period of activity.

The four themes – Science in Culture; Digital Transformations; Translating Cultures; and Care for the Future – have each established Theme Advisory Groups, which include membership drawn from the AHRC's Advisory Board, and have issued various research development funding calls as well as utilising the highlight notices function within responsive mode schemes.

Given the nature of thematic approaches to research, the themes are developing at differing paces appropriate to the subject areas and research challenges involved. In order to provide enhanced intellectual leadership we have recently advertised for Theme Leadership Fellows and these individuals will be appointed in autumn 2012. The Fellows will be part of the larger grants element of the programmes and will provide leadership as the themes look to make large theme grants in 2012/13.

1. Science in Culture

The sciences and the arts and humanities often seek to answer very different kinds of questions about human nature, the nature of the world we inhabit, and the relationship between the two. Sometimes the questions we seek to answer do not neatly fall within the remit of one or the other. The Science in Culture theme addresses this challenge by building on existing strengths in areas such as the history and philosophy of science, innovative collaborations between scientists and artists and emerging cross-disciplinary fields such as medical or health humanities.

During the last year highlight notices were issued within the Fellowships and Networking schemes. To date, nine Networking awards and six Fellowships awards have been made. Among the funded projects are: 'Art, Simulation and Surgical Humanities', 'New Thinking on Living with Dying', 'Isolated Acts: Theatre in Asylum's and Hospitals' and 'Perception, Science of the Child in Late Imperial and Early Soviet Russia, 1881-1936'.

An Exploratory Awards call offering funding of up to £30k over six months led to 15 awards, including projects on 'Samuel Beckett and Brain Science', 'Debating the first principles of transcultural psychiatry' and 'An initial intermedia study of science on television and in museums'.

Following an initial meeting in March 2011, the AHRC organised a second workshop with the US National Institutes of Health in October 2011, which brought UK and US researchers from a range of disciplines together to discuss Culture, Health and Wellbeing. Representatives of the National Endowment for the Humanities and the Wellcome Trust also took part.

Uncovering the connections between the sciences and the arts and humanities

Projects funded under the AHRC's Science in Culture theme are exploring the reciprocal relationship between the sciences and the arts and humanities and suggesting new avenues for cross-disciplinary innovation.

Working with a range of partners, including the Institute of Mental Health and the US National Institutes of Health, the **International Health Humanities Network** will promote research and collaboration in health humanities and encourage the translation of knowledge into healthcare practice. It will provide a platform for interested parties to engage in online debate and to forge collaborations between humanities scholars, healthcare practitioners and the public.

International Health Humanities Network – Nottingham University (Professor Paul Crawford)



Dr Gavin Miller from the University of Glasgow has received an Exploratory Networking award to investigate some of the latent tensions between the biomedical and the humanistic components of transcultural (or 'cross-cultural') psychiatry, a field in which culture, as well as the brain, is understood to be essential to the understanding and treatment of mental illness. Collaborators representing both clinical and academic realms will debate in two face-to-face workshops and an online forum.

Debating the first principles of transcultural psychiatry – University of Glasgow (Dr Gavin Miller)



“ For far too long, conversations about the relationship between the sciences, arts and humanities have been dominated by tedious, sterile notions of ‘the two cultures’. AHRC, through its new ‘Science in Culture’ theme, promises something richer, messier and more playful, which will yield fresh insights into the way different disciplines and epistemologies inform, shape and co-produce one another. I hope it will support the kind of silo-busting, boundary-spanning collaborations that would have CP Snow spinning in his grave. ”

James Wilsdon
Professor of Science and Democracy at the University of Sussex

‘Narratives of science and practice in mid-nineteenth century Britain’ will explore the period when concepts of ‘Applied science’ came to be widely used. Using recently-digitised 19th-century newspapers and periodicals and drawing on methods developed in literature, folklore and organisational studies, the project will focus on the allegorical narratives used to interpret these concepts. The stories uncovered by the project will feed into the design of a major new gallery in the Science Museum in 2014.

Narratives of science and practice in mid-nineteenth century Britain: applied science, stories and story-telling – National Museum of Science and Industry (Dr Robert Bud)



The Wonderland Project 2008-2012 – The disappearing dress.

Image: Nick Knight. Model: Alice Dellai @ Select

2. Digital Transformations

Digital innovation, the online revolution, the potential for an ‘infinite archive’ and associated changes are transforming the way people and organisations interact. They also raise complex ethical and social issues around responsibility, identity, privacy and data security. The Digital Transformations theme aims to exploit the potential of digital technologies to transform research in the arts and humanities and to ensure that arts and humanities research is at the forefront of tackling crucial issues such as intellectual property, cultural memory and identity, and communication and creativity in a digital age.

Among the activities overseen by the Theme Advisory Group was the Digging into Data Challenge. This involved eight funding bodies from the UK, USA, Canada and the Netherlands. A total of 14 proposals were successful, of which 11 included UK partners. One of the successful projects is Electronic Locator of Vertical Interval Successions (ELVIS). Dr Frauke Jürgensen from the University of Aberdeen as well as researchers from MIT (USA) and McGill University (Canada) will study changes in Western musical style from 1300 to 1900 using digitised collections of several large music repositories. In addition to nine awards in the Fellowships and Networking highlight calls, a set of Digital Transformations Research Development Awards includes a project looking at how digital technology can transform expressive performance. Based at Queen Mary, University of London, the proposed research consists of two main components: a pilot study using sensor-equipped instruments to explore the link between expression and gesture in piano performance and a workshop bringing together researchers in a range of disciplines including performance studies, music informatics, human-computer interaction and digital instrument design. Another project at the University of Westminster is exploring the creative relationships between communities of cultural and media organisations and their users.

Strong links have developed in the last year between the Digital Transformations theme and the RCUK Digital Economy programme, which includes the new Centre for Copyright and New Business Models.



“ The digital, the algorithmic, the rise of ‘big data’, and the online are changing how we do

scholarship, how we work and how we think. The Digital Transformations theme is helping the wider arts and humanities community to take advantage of these developments, and turn world-class research into world-beating digital scholarship and performance. ”

Professor Tim Hitchcock Professor of Eighteenth-century History, University of Hertfordshire

Harnessing digital technology in the arts and humanities

Haptic Experiments will investigate how digital technologies can enhance the participation experience of dance performances by non-sighted audience members. The project will look at how existing motion-tracking and haptic techniques can enable non-sighted audience members to have kinaesthetic responses to the movements performed by the dancers, and will develop a basic haptic device to enable audience members to receive feedback about the dynamics of dance performances.

Haptic Experiments: Kinaesthetic Empathy and Non-Sighted Dance Audiences – Dr Sophia Lycouris (University of Edinburgh)



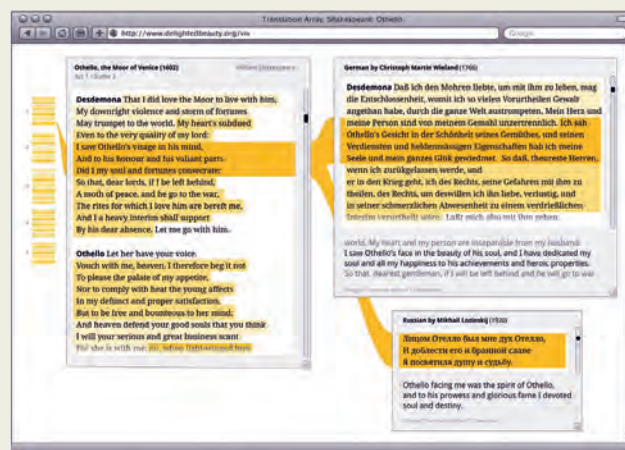
Photographer: Barrie Barreto

Accessing Implicit Knowledge of Textiles and Design is assessing the feasibility and potential impact of a smart, living archive to support knowledge access and sharing within the textile design community. With partners Johnstons of Elgin and the Scottish Academy of Fashion, it is investigating the potential of such an archive to provide more flexible, interactive and collaborative engagements between academic and commercial designers, practitioners and academic researchers, as well as the wider community.

Accessing implicit knowledge of textiles and design – a smart, living archive for a heritage industry – Professor Dorothy Williams (The Robert Gordon University)

Translation Arrays is developing an online interactive interface to enable explorations and analyses of large numbers of divergent natural language translations of cultural heritage texts. The project is working initially with a corpus of 55 divergent German translations of Shakespeare's *Othello* to put together a working prototype, using open source software. The long-term objective is to create a generic software framework adaptable to any corpus of inter- and intra-lingual rewritings.

Translation Arrays: Version Variation Visualization (Phase 2) – Dr Tom Cheesman (Swansea University)



Photographer: Stephen Thiel



3. Translating Cultures

During the last year the AHRC has been laying foundations and building partnerships to support the enrichment of its Translating Cultures theme. Addressing issues relevant to policy in areas such as cultural exchange and diplomacy, multiculturalism, tolerance, identities and migration, as well as exploring issues such as youth language and online language and identity, Translating Cultures promotes opportunities for researchers in these fields to work across language areas and across disciplines. The theme explores understanding and communication across cultures, looking at the role of translation, in its broadest sense, in the transmission and sharing of languages, values, beliefs, histories and narratives.

The Theme Advisory Group includes members from the Foreign and Commonwealth Office and has been central to the development of the theme's long-term aims and in defining mechanisms for dissemination and user engagement.

Highlight notices in the Research Networking and Fellowships schemes have been active since August 2010 with 16 awards made in each scheme. Successful Networking projects include 'China in Britain, Myths and Realities' and 'Translation and Asylum Claims: Matters of Law, Language and Silence'. Successful projects funded through the Fellowships highlight notice include 'Transcultural Encounters: Postcolonialism in the Visual Arts' and 'Translation in Medieval Francophone Texts and Manuscripts'.

Eleven Research Development awards have been funded, including 'Languages and International NGOs: Cultural Knowledge in Communities in Crisis' and 'ARCTIC: Assessing and Reviewing Cultural Transaction in International Companies'. A broad range of non-academic partners, including the Nottingham Galleries of Justice, the Institute for Cultural Diplomacy and the Royal Court Theatre, will be involved in the delivery of the new projects.



“ The world is changing rapidly and government is reaching out to build stronger relationships with emerging powers as well as longstanding allies. Increasingly, diplomacy is about understanding and making contact with other peoples and cultures and not just government to government relations. If we are to maintain our influence in the world we need to understand the world around us and our place within it. The Translating Cultures theme will provide us with research into precisely these questions and the FCO is delighted to be supporting the theme as it develops and grows. ”

Stephen Burman
Foreign and Commonwealth Office

Understanding the world and our place within it

Projects funded under the Translating Cultures theme are beginning to help us understand some of the key challenges facing the UK in its ever-changing interactions with other countries and cultures.

Languages and International NGOs brings together language researchers, international relations experts, NGOs and professional interpreters to look at language-related challenges faced by NGOs and the role played by local language and cultural intermediaries in danger zones. It aims to build awareness and develop the research agenda in this field and to raise public and policy profile. Outputs will be disseminated through meetings with the European Parliament and DfID (Department for International Development).



Languages and International NGOs: Cultural Knowledge in Communities in Crisis – Professor Hilary Footitt (University of Reading)

China in Britain: Myths and Realities will explore what it means to be Chinese in Britain today. The project will investigate changing conceptions of China in Britain through key areas of historical cultural exchange, including art, cinema and literature and in the context of China's increasing global importance.

China in Britain, Myths and Realities – Anne Witchard (University of Westminster)



Images: Courtesy of the University of Westminster

The ARCTIC project, involving project partners at the Chambers of Commerce in Surrey, Bristol and South Wales, will research the role of language and intercultural skills in the business practices of SMEs, assess issues that arise from the presence or lack of such skills and review the impact of only using English in non-English markets. The research aims to influence policy and practice and develop recommendations as to how businesses and HEIs can collaborate to deliver research-led training.

ARCTIC: Assessing and Reviewing Cultural Transaction in International Companies – Dr Doris Dippold (University of Surrey)

4. Care for the Future

Pathways to the future require understandings of the past. 'Care for the Future: Thinking Forward through the Past' affords an opportunity for researchers in the arts and humanities to generate novel understandings of the relationship between the past and the future and of the challenges and opportunities of the present, through a temporally-inflected lens. It encourages researchers to explore new ways of thinking about prospective ethical, moral, cultural and social landscapes, through an examination of cultural and social processes in the past and present.

Highlight notices under Fellowships and Networking have made a number of awards including 'Their Crime is Being Born: Children born of war in the 20th century' and 'Developing a Research Network to Advance 21st-Century Museum Ethics in Theory and Practice'. Six awards were also made under 'Arts and Humanities Perspectives on Environmental Values and Change', which included 'Weather walks, weather talks: exploring popular climate histories and futures' and 'The Invisible College: Building Communities of Creative Practice'.

Highlight notices in the Networking and Fellowships schemes will continue into 2012. A specific Highlight notice will be issued under Research Grants (Standard and Early Career) for 'Environment and Sustainability – Thinking Forward through the Past'. Further plans include a series of research development calls leading to a call for longer and larger research projects in 2013 and a joint workshop with English Heritage to develop research priorities relevant to the National Heritage Protection Plan. ►



“ The arts and humanities help to propel us into the future, by providing insight into what may be waiting over the horizon. The Care for the Future theme is a great example of AHRC working across disciplines and with partners within and beyond the academy, to prepare us for the challenges that lie ahead. ”

Ben Cowell
Associate Director, External Affairs at the National Trust

Exploring the past to understand our future

The **Before the Flood** project team is working across a range of disciplines and with a range of partners including the Environment Agency, the National Flood Forum, residents associations and local authorities to explore how performances and flood narratives might be used to engage urban groups at risk from flooding but without recent flood experience. Awareness of these issues and encouragement for local resilience-building will be stimulated by performance events in collaboration with local volunteers at sites in Bristol and Bradford.

'Before the Flood': Interweaving situated performance and flood narratives for resilience building in hard-to-reach urban flood risk communities – Professor Stephen Bottoms (University of Leeds)



Landscapes of war, trauma and occupation focuses on a series of networking meetings that connect and integrate academic and practitioner discussions about Europe's painful past as seen through the lens of the landscapes of war, occupation and trauma. These discussions will examine the shift in the memorialisation of war and conflict from an emphasis on monuments to a focus on traces, and will track how the research and preservation of these historic traces has transformed them into heritage sites.

Landscapes of war, trauma and occupation: Painful heritage and the dynamics of memory in post-1989 Europe – Prof. dr. R. van der Laars (Vrije Universiteit Amsterdam)

In the archive the past lies buried and today's history is written. But recently, the archive has emerged as a critical tool to think about history, heritage and memory in debates on the future. The aim of **Utopian Archives** is to generate an interdisciplinary debate on the possibilities for archives to provide frameworks for the imagination of postcolonial futures.

Utopian Archives: Excavating Pasts for Postcolonial Futures – Dr Ferdinand De Jong (University of East Anglia)



Image: Igor Golovniy / Shutterstock.com



Image: Northfoto / Shutterstock.com

Research Programmes

Major outputs and outcomes have continued to emerge from the AHRC's portfolio of established research programmes, the first of which were set up in 2005.

The Director of the Diasporas, Migration and Identities programme, Professor Kim Knott, in collaboration with the Citizenship Foundation and Runnymede Trust, launched a book and website – *'Moving People Changing Places'* – aimed at Key Stage 4 children exploring issues of migration, identity and diversity in contemporary society. It draws on research from across the programme to provide accessible accounts of major episodes in the history of migration to Britain and the social, cultural and economic contribution made by new settlers. The Programme Director's final report details not only the quality, volume and range of the programme's outputs but its major role in developing a vibrant community of scholars and a wide range of partnerships across disciplines, internationally and beyond academia.

Outcomes from the Landscape and Environment programme have been informing evolving research agendas in the field, building on its partnerships with organisations such as the National Trust, English Heritage, Royal Geographical Society and Tate. As a part of the programme Director's impact Fellowship, a film – *'Imaging Change: Coastal Conversations'* – was produced to showcase different kinds of creative engagements between arts and humanities scholars and coastal landscapes and was launched at the 'Planet under Pressure' Conference in London in March 2012. Building on the success of 'Warplands', a soundwork combining text and musical composition 'premiered' at the Royal Geographical Society's 2011 Annual Conference, the film formed a part of the cross-Council Living with Environmental Change programme's contribution to this major international research conference leading up to the 2012 UN Conference on Sustainable Development (Rio+20).

The programme's Researching Environmental Change Networks also provided the foundation for six new projects under AHRC's Care for the Future theme, which are examining how arts and humanities perspectives on environmental change and values can inform policy, practice and public discourses.

A major book, *Religion and Change in Modern Britain*, bringing together insights from the AHRC/ESRC Religion & Society programme was published in early 2012. The volume provides a fully up-to-date and comprehensive guide to religion in Britain since 1945 with a particular focus on issues of change and diversity. To stimulate wider public debate the programme organised, in partnership with the think tank Theos, a high-profile series of six fortnightly Faith Debates beginning in February 2012 involving a wide range of leading public figures. These have attracted wide media coverage including contributions by the Programme Director to BBC Radio 4 and BBC1's The Big Questions.



“ Modern politics and government need to understand religion better than they now do. The up-to-date research challenges lazy assumptions and these debates enable us to discuss what it means for our public life. ”

Charles Clarke Visiting Professor in Politics and Faith at Lancaster University



A series of faith debates beginning in February 2012 drew leading public figures and generated widespread media coverage.

A festival to celebrate the outcomes of the Beyond Text strategic programme was held in March 2012 at Kings Place, London. The event also provided an opportunity to reflect on how the programme's outcomes were contributing to continuing AHRC-funded research on the digital and creative economy.

The AHRC/EPSRC Science and Heritage programme has also continued to have a significant role in developing relevant research fields through inputting to the House of Lords Science and Technology Committee's follow-up to its 2007 Science and Heritage report, playing a leading role in establishing a National Heritage Science Forum and in international developments, particularly the EU Joint Programming Initiative on Cultural Heritage and Global Change. ►

Investigating the role of faith in modern society

The AHRC/ESRC-funded Religion and Society programme has funded a range of projects – including those outlined below – which have explored the role of faith in our society.

Ewan Fernie and his team set out on a quest to 'remake' Edmund Spenser's **The Faerie Queene** for today's 'secular' society. This involved developing a new 'Redcrosse' liturgy for St George's Day with contributions from major contemporary poets Jo Shapcott, Michael Symmons Roberts and Andrew Motion. The Booth Centre for the Homeless, based at Manchester Cathedral, built two Catalan-style 'gegants' (giant puppet figures) of St George and the dragon for performance of the liturgy, and secondary schools pupils in deprived areas worked with Oxford University drama students to develop a play from the poem. This project has shown how poetry and religion can still speak to topical and difficult issues.

The Faerie Queene Now: remaking religious poetry for today's world – University of Birmingham (Professor Ewan Fernie)

The **Multi-Faith Spaces** team – drawn from architecture, sociology and theology – has discovered a mushrooming of multi-faith facilities over the past ten years in airports, universities, hospitals, businesses, shopping centres and even football stadia, estimating that there now are at least 1,500 in the UK. With the quality of these varying enormously, members of the team have advised on the construction of new multi-faith spaces, and are now suggesting how spaces might be designed to enhance interaction between groups.

Multi-Faith Spaces – Symptoms and Agents of Religious and Social Change – University of Manchester (Dr Ralf Brand)



Image: Courtesy of the University of Manchester



Image: Courtesy of the University of Birmingham

Muslims in Britain are amongst the most successful of religious groups in transmitting their faith to the next generation. This research, through analysis of the 2003 Home Office Citizenship Survey and through working with Muslim families in Cardiff, finds that far from relying on schools and the state to nurture religious knowledge, Muslims actively take things into their own hands through parenting, grand-parenting and education. The project ran a series of events to increase the knowledge base of education, health and social care staff in relation to working with Muslim children and their families. The project has featured on the BBC Wales website.

Religious nurture in Muslim families – Cardiff University (Dr Jonathan Scourfield)



Image: Courtesy of Cardiff University

Research Programmes: Connected Communities

The AHRC is leading on Connected Communities, a cross-Council programme designed to help us understand the changing nature of communities in their historical and cultural contexts and the role of communities in sustaining and enhancing our quality of life.

We have continued to support cross-disciplinary capacity-building for the programme with a particular emphasis on the added value and new perspectives that arts and humanities research can bring. Thirty-one new arts and humanities-led research reviews were commissioned to build on the published outcomes of the first round of over 40 reviews. In addition, ten 'pilot demonstrator' projects are being supported to develop distinctive 'Connected Communities' approaches in community contexts.

This work was supplemented by proposals supported through the Connected Communities highlight notices including a research network exploring the relationship between memory and community in early modern Britain, and through a first round of Connected Communities Collaborative Doctoral Awards on topics such as community-led design (in partnership with The Glass-House in Sheffield) and connecting communities through the arts (with Woodend Barn in Banchory, near Aberdeen).

A growing body of work is exploring the temporal dimension to communities while other clusters of projects are exploring issues such as cultural value in community contexts and 'community and performance'. Another strand of research is exploring the potential for arts and humanities to support approaches to engagement with communities as active participants in the research process, through the creative arts and media, narratives, crafts and by enhancing consideration of issues such as ethics, power and voice.

The programme's partnership activities have expanded to include the Design Council, which collaborated in organising a workshop on Communities, Culture and Design in June 2011, following which four follow-up projects are being supported. In addition, a new joint initiative with the Heritage Lottery Fund and the BBC in collaboration with the National Co-ordinating Centre for Public Engagement was launched on local community heritage. The first phase is supporting teams of researchers with expertise relevant to community histories and heritage from 21 research organisations to extend their outreach activities with community groups and to explore the potential to develop new co-designed community heritage research projects.

As well as capacity and partnership development, the first three larger grants were announced under the Connected Communities programme, with co-funding from the EPSRC. These high-profile grants are supporting cross-disciplinary teams formed during the programme's first research development workshop in 2010 on Communities and the Creative Economy. Working in partnership with organisations such as Creative Scotland, Arts Council England, Visiting Arts and NESTA, as well as a range of community groups, the projects are exploring issues around everyday creative participation, role of cultural intermediary



“ Learning from each other is far more powerful than the didactic approach, particularly in community settings. The Connected Communities programme is helping us find exciting and engaging ways of using new technologies to develop local and hyper-local solutions to contemporary issues. ”

Yvette Vaughan Jones
Chief Executive of Visiting Arts

organisations in communities and 'creative citizenship' in community media and design.

Over the next year further large grant commissioning will be completed, including in the areas of Community Engagement and Mobilisation (with the ESRC), as well as large grants emerging from the second research development workshop held in September 2011 on 'Community, Cultures, Health and Well-being'. These will complement other AHRC activities contributing to the RCUK Lifelong Health and Well-being Programme.

Given the highly encouraging response from the academic community to activities over the last year, we will be holding further workshop events on the theme of Communities, Culture, Environment and Sustainability. The 2012 Connected Communities Programme Summit will also seek to develop further our approach to engaging with communities from the very earliest stages of the research process, including the identification of research opportunities and in the co-creation and co-design of research.

The second phase of the initiative on local community heritage will be commissioned, building on the links developed in the first phase, to support, in partnership with the HLF, co-produced research projects with local heritage groups. ►

Exploring the role of communities in our everyday lives

Projects funded through the cross-Council Connected Communities programme are exploring the nature, history and future of our communities, our place within them and their contribution to health, economic prosperity and wellbeing.

Dr Jenny Phillimore's research on grassroots arts activities in communities, conducted in partnership with Voluntary Arts, has revealed that within the diverse organisations and groups that comprise the voluntary and amateur arts sector there is a vast range of knowledge that remains largely unresearched and undocumented. Her report highlights research that shows a strong association between cultural participation and increased literacy, maths and behaviour and that participation in voluntary arts groups also helps create social networks, promote social cohesion and empower people and communities.

The role of grassroots arts activity in communities: a scoping study – Dr Jenny Phillimore (Birmingham)



Image: Courtesy of Jenny Phillimore

Dr Michelle Bastian's project is working with community organisations within Liverpool's fledgling local food movement to explore how engaging local communities with the changing patterns of local food production could contribute to grassroots efforts in Liverpool to raise awareness around current food issues. 'Memories of Mr Seel's garden' will see local volunteers use oral histories, historic map research and archive research to develop a multi-layered account of historic food systems in Liverpool.

Memories of 'Mr Seel's Garden': Engaging with historic & future food systems in Liverpool – Dr Michelle Bastian (Manchester)

Bringing together evidence from in-depth historical studies, existing survey data and new qualitative research on cultural practices and engagements, Dr Andrew Miles' project aims to create new understandings of community formation, connectivity and capacity through participation. The project is collaborating with 16 national and local partners, including Arts Council England, the National Council for Voluntary Organisations, and the Working Men's Clubs and Institutes Union, with Creative Scotland supporting additional case study work.

Understanding Everyday Participation – Articulating Cultural Values – Dr Andrew Miles (Manchester)



Image: Football crowd by A G Miles



Image: Walking the Peaks by A Gilmore

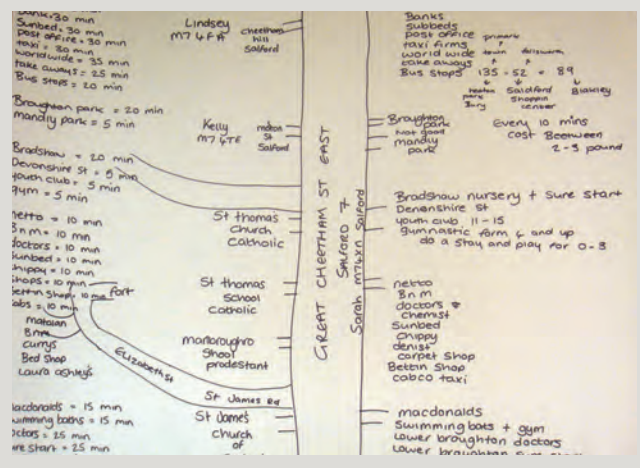


Image: Participation map of Cheetam by Tomka Laske

Postgraduate

A central priority for the AHRC is ensuring that we invest in the next generation of arts and humanities researchers through our postgraduate activities.

The AHRC's commitment to support a wide range of postgraduate activity has included 720 new doctoral awards across our Block Grant Partnership (BGP1), Block Grant Partnership Capacity Building (BGP:CB) and Collaborative Doctoral Award (CDA) routes and through project studentships attached to AHRC Research Grants. We also supported 286 Master's awards through the BGP1 and BGP:CB routes. We brought together representatives from BGP1 and BGP:CB institutions at an event in January, at which BGP Coordinators were able to share their experiences of managing these AHRC strategic awards. We also ran a series of three town meetings around the UK in the summer of 2011 to launch the BGP2 process, which will award postgraduate funding mainly on a consortium basis for the cohorts starting in 2014-18. The first stage of review is taking place on the Expressions of Interest received under this call and the AHRC looks forward to working with shortlisted consortia and research organisations as they develop full scale applications during 2012.

The AHRC is now midway through the BGP1 funding period (2009-14), and as part of our mid-term monitoring process we have been very pleased at the evidence provided by research organisations about their use of BGP support. There was also strong evidence of HEIs committing to support additional arts and humanities studentships to increase the number of funded students still further, with some using the flexibility options to increase studentship capacity through matched funding.

The Collaborative Doctoral Award scheme, which allows PhD students to undertake doctoral research both at a university and at a collaborating organisation, including museums, galleries, arts and commercial organisations, continues to prove popular and to attract many high-quality applications. Among the 80 new doctoral awards offered this year were a number of collaborative awards at organisations hosting students for the first time, including the Foreign and Commonwealth Office, the Glasgow International Jazz Festival, the House of Commons, the National Army Museum and the Royal Society for the Arts.

The AHRC continues to support HEIs to provide full and innovative training and development opportunities for all relevant postgraduate students, both to enable students to complete a doctoral thesis of the highest quality and to support the broader development of their careers. We do this through a variety of mechanisms, including additional funding as part of BGP grants, our Collaborative Research Training scheme and our International Placement scheme, which offers AHRC-funded students the chance to spend time working in one of the major research libraries in the USA and Japan. Recognising



“ The collaboration between Nottingham and the People's History Museum has provided a fantastic environment to undertake my research and a platform to present it to the public. Collaboration with the museum helped convert my research into an exhibition, which proved very popular with the press and was picked up by Radio 4. The Award has provided invaluable experience of getting research into the public sphere and building contacts outside academia. ”

Chris Burgess CDA student, Nottingham University

the international dimension of research career development at its earliest stages, the AHRC has during the last year signed new agreements with partners in the USA and India.

In January we made a number of awards under a new Skills Development Call designed to support consortium-based collaborative training packages for postgraduates and early career researchers in relation to our thematic areas and our priority subject areas (Modern Languages, Heritage and Design). Twenty awards will be funded, from 38 applications received, with seven awards in Modern Languages, five in Heritage, four in Design, three in Digital Transformations and one in Care for the Future.

We were also delighted to be able to award additional funding to our existing five Language-Based Area Studies centres, in conjunction with funding from the British Academy's Languages and Quantitative Skills stream. This funding will support three development pathways focusing on: partnerships and knowledge exchange with relevant business and public policy organisations (including partnerships with the Foreign and Commonwealth Office, the Russo-British Chamber of Commerce and Chatham House); research networks and exchanges with academics in the UK and in other countries (addressing subjects such as 'Digital China'; '1989 – Arab Spring'; and 'Identities and Cultures in East Asia'); and networks to support specialist language training in relevant language subject areas. ►

Undertaking excellent research in new skills contexts

The AHRC's Collaborative Doctoral Award (CDA) scheme gives doctoral students the opportunity to undertake research within a university and to receive more practical guidance from a partnering institution, offering a varied and enriching experience with direct application to a range of working environments.

CDA students Claire Connor and James Muirhead are splitting their time between Brunel's SS Great Britain and Brunel Institute and the University of Bristol to research the history of Brunel's iconic steamship, the SS Great Britain. Claire is covering the years 1843 and 1886, when the ship carried passengers to the USA and emigrants to Australia as well as troops to the Crimean War, while James is examining the ship's history from 1886 including its salvage in the Falkland Islands and return to Bristol. Their findings will add to the SS Great Britain Trust's wealth of knowledge and help further improve the award-winning visitor experience at Brunel's SS Great Britain.

SS Great Britain – SS Great Britain Trust and the University of Bristol (Claire Connor and James Muirhead)



Image: Courtesy of SS Great Britain

The SS Great Britain as an emigrant clipper en route to Australia off the coast of South Africa.



Photographer: David Norton

Penelope Woods undertook research at London's Globe Theatre and at Queen Mary, University of London. By following live performances, carrying out interviews with actors and audience members and drawing on the archive of recordings held at the Globe she evaluated the performance and reception dynamic in the open-air theatre space and mapped out new issues in reception for further research into play-going at the original theatre.

The Globe and Queen Mary, University of London and King's College London (Penelope Woods)



Image: Pawel Libera

Shakespeare's Globe Theatre.

CDA award holder Chris Burgess curated an exhibition at the People's History Museum in Manchester in 2011 on political posters from the 1906 general election to the present day while also studying at Manchester University. *The Times* columnist and former MP Matthew Parris called it 'the most amazing exhibition'. Other media coverage included Radio 4's flagship news programme Today, the *Times Higher Education Supplement* and the *BBC History Magazine*.

Picturing Politics – People's History Museum and Manchester University (Chris Burgess)



Image: Courtesy of Chris Burgess

Creative Economy

It has become increasingly clear that arts and humanities research has a vital – and exciting – role to play in the creative economy, one of the most dynamic sectors of the UK economy. A key aspect of our revised strategy for Knowledge Exchange is a significant investment in the creation of four Knowledge Exchange Hubs for the Creative Economy as we seek to encourage collaborations between the best arts and humanities research and the UK’s innovative and world-leading creative sector.

Following an intensive application process the AHRC was delighted to announce its decisions in the summer of 2011. These are significant strategic investments by the AHRC, representing £20m FEC (Full Economic Costing) over four years. Three of the hubs have now started operations, with the fourth beginning in June 2012.

Each hub represents a consortium of multiple research organisations, creative businesses, cultural organisations and other agencies, including the BBC, Microsoft, the SAGE Gateshead, the Victoria and Albert Museum, the National Archives, the Watershed Arts Trust and many more. The lead research organisations for the four hubs are the University of Lancaster, University of Dundee, Queen Mary, University of London, and the University of the West of England. The richness of the collaborations and partnerships coming forward under this call has demonstrated the role arts and humanities researchers are eager to undertake in leading elements of this growth sector in the UK economy.

Understanding the relationship between new digital technologies and new and emerging business and regulatory models used in the creative economy is critical to economic development and the UK’s continued leadership in this field. Led by the AHRC, the Centre for Copyright and New Business Models in the Digital Age (co-funded by the ESRC, EPSRC, with strong support from the Intellectual Property Office, NESTA and the Technology Strategy Board) will investigate the dynamic relationships between these aspects of the modern creative economy and the social, regulatory and economic needs it serves. Final interviews of the shortlisted consortia submitting full business cases to run the new research centre were held in February. The University of Glasgow emerged from a very strong field and will begin its work later in 2012.

We have also continued to develop a number of wider partnerships in the Creative Economy, including a co-funding initiative with Arts Council England and NESTA, called the Digital Research and Development fund for Arts and Culture. The Fund aims to support art and cultural organisations to work with those with digital expertise – including digital practitioners and arts and humanities researchers – to understand the potential offered by new technologies and to produce new data and research insights



“ Arts and humanities research has a key role to play in the continued development of the UK’s creative economy.

The AHRC’s ambitious and timely intervention in this area deserves praise and support. We at Wired Sussex are delighted to be playing our part in developing this important programme of work. ”

Phil Jones Director, Wired Sussex

that can be shared with, and benefit, other organisations in the arts and culture sector.

A similar fund has recently been launched in Scotland involving the AHRC, Creative Scotland and NESTA, which aims to support arts and cultural organisations across Scotland to work with digital technologies to expand their engagements with audiences, explore new business models and potentially open up new ways of generating financial revenues.

With Design one of our priority research areas, we have been actively engaging with representative bodies and seeking out new opportunities to support research in the field. We have signed a collaborative MoU with the Design Council, and are co-sponsoring two scoping projects on the interaction between design research and business (exploring both supply-side and demand-side perspectives). We held a highly successful and stimulating joint forum in March 2012 to headline the partnership and the role of design for economic growth, and speakers included Professor Sir Adrian Smith (Director General of Research and Innovation at the Department for Business, Innovation and Skills), Deyan Sudjic and Vicky Pryce. ►

We have a growing number of engagements with the BBC, with recent highlights including a new round of the New Generation Thinkers scheme and the development of work with the Heritage Lottery Fund on community heritage under Connected Communities linked to a forthcoming BBC TV series. In early 2012 a workshop was convened by AHRC to bring together key researchers and BBC programmers ahead of the centenary in 2014 of the outbreak of the First World War.

We are also working with the Council for Industry and Higher Education on the Brighton Fuse project, involving the University of Brighton and business partner Wired Sussex. Using Brighton as a case study, this project looks at the cluster phenomenon in the growth and sustainability of the creative industries, and the contribution that universities can make.

Collaborating across sectors to exploit the potential of new technologies

The Digital R&D Fund, a collaboration between AHRC, NESTA and the Arts Council, England, is bringing researchers together with technology providers and arts and cultural organisations to provide a range of exemplars of how such organisations can harness technology to extend audience reach and explore new business models.

The University of Salford research team are working with the London Symphony Orchestra (LSO) and their partners, the Aurora Orchestra and Kodime, in the implementation, development and evaluation of their proposed **Student Mobile Project**. The project is developing, testing and evaluating new mobile- and web-based ticketing and marketing tools using a sample audience of 18-25-year-old students. The research will contribute to debates on the changing nature of contemporary classical music audiences and the role of social media and mobile technologies in patterns of cultural consumption.



Birmingham City University (BCU) will create a dataset from analysis of the work of the Culture Cloud project partners. **Culture Cloud** is led by the Nottingham-based New Art Exchange, which partners UK and overseas galleries and artists alongside the technology partner Artfinder. Researchers at BCU will undertake detailed analysis of audience interactions and engage with, and communicate their findings to, the wider arts and cultural sector, technology providers and to other academics researching the sector.

Dan Dixon from the University of the West of England and Jon Rogers from the University of Dundee are working with Punchdrunk and MIT to create a mixed-reality performance of Punchdrunk's **'Sleep No More'** immersive theatre experience. Working across a widely interdisciplinary team, they are evaluating how Punchdrunk capture and extend 'Sleep No More' into an online setting and will deliver insights on the aesthetics of the experience in the early stage of the process as well as help evaluate the final outputs.



Filming 'Sleep No More' in New York.



Punchdrunk's Artistic Director Felix with new sensor technology.

Images: Peter Higgin for Punchdrunk

International

The AHRC's international activities have continued to flourish in the last year, bringing new opportunities to researchers and raising the profile of UK research across the world.

The AHRC plays a key role in HERA (Humanities in the European Research Area), a major collaboration of 22 research funders across Europe, plus the European Science Foundation. In 2012, 19 of the partners secured funding of €6m from the European Commission to launch a second Joint Research Programme. Together with funders' own financial commitments (the AHRC's amounts to €3.3m), this created a common pot of €18.5m for teams of researchers across Europe to bid for. A call for proposals was launched in February 2012 on the subject of 'Cultural Encounters', a topic strongly influenced by the AHRC's Translating Cultures theme.

Part of the AHRC's role in HERA involves leading Knowledge Exchange (KE) activities, through chairing HERA's Knowledge Transfer Advisory Committee. In April 2011 AHRC led a workshop highlighting the UK's experience and expertise in relation to Knowledge Exchange, with the aim of increasing commitment of those across Europe to work towards similar goals as the UK, thus potentially enhancing the impact of pan-European humanities research. In addition, a workshop for researchers in July 2011 led to a subsequent small-scale HERA call for proposals focused on KE. Three collaborative projects were funded, all of which included UK academics as well as significant non-academic partnerships.

Projects funded under an earlier call for proposals, focusing on themes of 'Cultural Dynamics' and 'Creativity and Innovation', began to yield research during 2011-12.

Heritage-related research continues to be a priority for AHRC's activities in Europe. The cross-European Net-Heritage project drew to a close during the last year with the launch of a web-based portal for Heritage research. Around 150 people, including representatives from the 14 partner countries, researchers, policy-makers and journalists attended the launch in Rome in September. Since then the user base for the site, development of which was led by the UK, has grown considerably. The following month, the new EU-funded Joint Programming Initiative on Cultural Heritage and Global Change began. The UK is leading on the development of the strategic research agenda, an exercise in which 26 partner countries will pool information and expertise towards understanding shared future priorities in this important research area.

The AHRC has also developed its relationship with the Netherlands Organisation of Scientific Research. A joint networking and exchange call, announced in October 2011, funded 11 proposals. As two countries which share a research base that performs strongly in international comparison tables, this relationship will enhance research collaboration between the



“ At the heart of the current re-imagining of scholarship in the digital age are profound questions of meaning, significance and change in human thought and behaviour. The Digging into Data initiative is offering unprecedented opportunities to address these questions by embracing international collaboration that transcends borders and integrates diverse ways of knowing. We are privileged to be partnering with the AHRC and other funding partners in supporting this initiative and we look forward to building on its success in the increasingly globalised world of the 21st century. ”

Dr Chad Gaffield President, Social Sciences and Humanities Research Council

two countries and potentially provide a basis for successful bids to wider multilateral European schemes.

The AHRC joined seven other international funding agencies from the USA, Canada and the Netherlands to participate in round two of the 'Digging into Data Challenge', which links strongly with our 'Digital Transformations' agenda. Central to the programme is our need to understand, as the world becomes increasingly digital, what new techniques are needed to search, analyse and understand everyday materials such as digitised books, newspapers, maps and music. We committed £400k to this £3.1m initiative, which funded 14 projects, 11 of which involved UK teams.

Over the course of the year the AHRC has continued to have fruitful discussions with other international research funders, including the US National Institutes of Health, US National Endowment for the Humanities and the Wellcome Trust. We are working towards developing an exciting cross-disciplinary initiative on wellbeing and the humanities. This links to the AHRC's 'Science in Culture' theme. A second workshop of UK ►

and US academics and funder representatives was held in October to scope priority areas for collaboration, which will be taken forward towards a call for proposals in the next financial year.

International links made early in a researcher's career are often enduring, and providing early career researchers with an opportunity to visit research centres and facilities overseas can greatly enhance their career prospects, support their research and help them develop crucial inter-cultural skills in doing so. For these reasons, the AHRC has been expanding its support

of international placements for early career researchers over the last year. Using successful partnerships with Library of Congress (USA) and National Institutes of Humanities (Japan) as a basis, new agreements with partners in the USA (the Huntington Library) and India (Sarai – part of the Centre for the Study of Developing Societies in Delhi) were signed, and these organisations agreed to be future hosts for visiting UK early career scholars. A call for applicants was launched in February 2012. Collectively the four hosts could support over 60 international placements for AHRC-funded researchers each year.

Collaborating across national boundaries

These are three of the projects funded through the HERA consortium, a group of 14 European funders who pooled money towards a joint research programme. AHRC contributed €5.9m overall, but the leveraging of European Commission monies meant that funds which went to UK researchers far exceeded this amount. The AHRC's international activities bring important and exciting opportunities to UK researchers.

Fashioning the Early Modern: Creativity and Innovation in Europe, 1500-1800 created a new community of historians, art historians, literary specialists, museum curators and conservators working between the UK and Scandinavia. Meeting in museum stores and gallery collections, as well as working in libraries and archives, the group was able to share materials and construct a new approach to the study of European fashion. They were able to see and record things that were often inaccessible and, at the same time, support the curatorial staff in making their materials meaningful to a wider European public.



Detail of a jacket knit of coral pink and silver-gilt silk.

Rhythm Changes, a trans-European project on jazz cultures and European identities, has been exploring national identities, representations and stereotypes in jazz. Through national reports and studies of national jazz agencies across Europe, 'Rhythm Changes' demonstrates that jazz plays an important but varied role in the cultural life of different European nations. Furthermore, the project's critical interrogation of identity and collaborations with industry demonstrate that jazz is a model of transnational practice and contributes significantly, both socially and economically, to the broader European creative economy.



Image: Fajno / Shutterstock.com

PhotoCLEC has undertaken research on the role of the photographic legacy of the colonial past. The project team comprised researchers from the UK, the Netherlands and Norway. The former two of these were major colonial powers but their different 'styles' of colonial engagement have led to very different articulations of their colonial histories. Norway was not a colonial power in the territorial sense, but did engage in colonial derived activities such as trade and infrastructure development. The research has demonstrated very different responses to the articulation of the colonial past and curatorial anxieties around those pasts and their photographic representation and has led to an open access resource for training and awareness-raising.

Public Policy

The last year has seen the AHRC further its role as a broker in the relationship between researchers and policy-makers. Arts and humanities researchers have an important role in informing public policy across a wide range of both subject disciplines and Government activities.

The AHRC regularly organises seminars and workshops in collaboration with central government departments and their agencies, aiming to develop the contribution that arts and humanities research makes to evidence-based policy-making, the development of public services and professional practice.

Over the last 12 months these events have involved researchers from a large number of disciplines, including law, history, religious studies, cultural studies, philosophy, communications and media studies and archaeology. Among the Government departments and agencies the AHRC has worked with are the Department for Education, the Foreign and Commonwealth Office (FCO), Cabinet Office, the Office of the Public Guardian and the Commission on a Bill of Rights.

In October 2011 the FCO published its *Strategy for the Prevention of Torture*, following an AHRC-organised seminar on that topic in late 2009 held at the FCO. Subsequently, the AHRC worked with the FCO on a series of seminars on Business and Human Rights early in 2012. In the wake of the June 2011 Human Rights Council's endorsement of the UN Guiding Principles on Business and Human Rights (as an application of the 'Protect, Respect, Remedy' Framework), the British Government is preparing a cross-governmental strategy paper on business and human rights for mid-2012.

Three separate one-day seminars have since been organised by the AHRC and the FCO, with Professor Sheldon Leader (University of Essex), John Morrison (Institute of Human Rights and Business) and the Corporate Responsibility Coalition providing input to this process from non-governmental stakeholders. Four separate one-day seminars took place involving civil society groups, business representatives and leading academics to discuss the UN Guiding Principles and their implications. A number of leading academics attended these seminars and provided valuable input from their own research across the human rights spectrum.

The Essex Autonomy Project (EAP) is a research and knowledge exchange initiative based at the University of Essex, funded by two major grants from the AHRC, to support work on the themes of 'Deciding for Oneself' and 'Contested Autonomy in Public Policy and Professional Practice'. The EAP's aim is to clarify the ideal of self-determination in history, theory and practice, both for its own sake, and in order to provide guidance to those who must apply this notion in their professional work, including care workers, medical practitioners, the police, legal professionals and citizens.

The EAP Autonomy Summer School held in September 2011 was a three-day training course aimed at frontline professionals

“ The AHRC has provided me with a valuable opportunity to commission academic research that is relevant to the work of the Assessments Staff. It has provided a combination of in-depth study and an alternative viewpoint that complements our own work and gives us the opportunity to challenge our assumptions. The ability to hold a workshop to discuss the research and question the author is an important part of the approach, enabling us to bring together experts from across Government and providing added value to the papers. I am keen to commission further research in the future. ”

Paul Rimmer Director, Central Intelligence Assessments (Chief of the Assessments Staff), Cabinet Office

and researchers who face issues surrounding autonomy and mental capacity in the fields of medicine and psychiatry, social care, policing and law. The Summer School aimed to equip practitioners and researchers with an understanding of the philosophical ideal of individual autonomy and to provide a forum for the discussion of the dilemmas surrounding its practical application. The AHRC also worked with Professor Wayne Martin, the principal investigator on the project, to hold a policy seminar on the subject of Deprivation of Liberty and the Deprivation of Liberty Safeguards (DoLS) in January 2012, including their current performance in social care and psychiatry, their legal history, the implications of recent judgments, training needs, and their relation to wider care and mental health policy.

The Lessons Learnt project builds on a series of five seminars held in 2010 to improve and develop the relationship between history researchers and Government and in turn to contribute to the development of the analytical capability of the intelligence community within Government. ►

Activities in the last year have included the commissioning of 11 out of 20 reports, including reports on the Muslim Brotherhood, the Taliban and Northern Ireland, some publicly available and others for the Cabinet Office and Ministry of Defence. Each of these focuses on contemporary analyses of ongoing security issues, many of which are regionally focused. Seminars are held at the Cabinet Office to disseminate the key findings to civil servants across a range of Government departments.

The AHRC also organised the signing of a concordat between all seven of the UK's Research Councils and the Department for Communities and Local Government (DCLG). The primary aim of the concordat is to provide a framework for current and future collaborative activities between DCLG and RCUK to enhance knowledge exchange and improve the evidence base relevant to the Department's strategic objectives, as well as providing significant opportunities for developing capacity in the academic research sector.



“ There is a pressing need in public life to ensure both that members of the judiciary are informed about relevant

research, including research relating to their judgments, and that professionals acting in their professional capacity are aware of developments under the law. The researchers associated with the Essex Autonomy Project have played a very useful role on both scores, particularly in connection with the Law of Best Interests and the legal notion of ‘Deprivation of Liberty’. The ‘Green Paper Technical Reports’ and ‘Seminar Digests’ available on their website provide valuable and accessible analysis of key developments and dispute. By providing training to frontline social workers, they are also providing a critical conduit whereby legal and research developments are communicated into practice. ”

Lord Justice Munby

Learning lessons from history

The rationale for the AHRC-funded **Lessons Learnt** initiative sprang from the 2004 Butler Report into the aftermath of the Iraq war and the intelligence situation that contributed to it. The report concluded that the historical lessons had been forgotten, and that a regular review process should be instigated. Reports are being commissioned by the project and seminars held to ensure the best academic research is made available to civil servants across Government.

Dr Lorenzo Vidino wrote and published a paper for the Lessons Learnt project, presenting it at a seminar at the Cabinet Office in October on the **Egyptian Muslim Brotherhood**. Critically evaluating its role in the current political upheaval in Egypt, he gave a historically informed view of Egyptian contemporary politics, the Brotherhood's role in the February 2011 revolution and its prospects in the new political settlement currently being contested in Egypt.



Image MOH-Photo / Shutterstock.com

Researchers Alex Strick van Linschoten and Felix Kuehn explored the question of the Taliban as an organisation, what it is and what it wants. The paper and seminar (in December 2011) provided the historical context to the current position in Afghanistan, exploring some of **the Taliban's strategic goals**, and offering some valuable context in which future negotiations with the Taliban might take place.

In his paper and seminar at the Cabinet Office in January 2012, Dr Alexander Spencer asked two questions: What role do western media play in carrying the terrorist message? and What would happen if the media made no reference to terrorism? He examined the complex relationship between **the media and terrorism**, suggesting that Government and the media had important lessons to learn from an understanding of terrorism as ‘a communications strategy’.

Public Engagement

Research in the arts and humanities is a vital part of the UK's cultural wealth, underpinning the exhibitions we visit, the music we hear, the texts used in theatres and the films and programmes we watch.

The last year has seen the AHRC take important steps forward in ensuring that researchers have a growing range of opportunities to engage directly with the public but also that the public are able to access and engage with the best academic research.

The first year of the New Generation Thinkers came to fruition in the last year. Following applications from nearly 1,100 early career researchers and doctoral students, 57 attended BBC-run workshops, from which ten winners emerged. All of them contributed to numerous and regular broadcasts on Radio 3, such as *Nightwaves*, and all spoke at the Free Thinking Festival in Gateshead. The scheme received considerable press coverage, including the front page of the *Guardian*. Among the subjects discussed by the New Generation Thinkers on national radio have been media representations of Africa, the history of artificial light in literary sources and a comparison of modern comic book enthusiasts to ancient biblical scholars.

The AHRC organised a series of regional workshops following up on the New Generation Thinkers scheme to provide broadcast training for early career researchers. Around 320 researchers received training and such was the demand for places that all were filled within 24 hours of the workshops being publicised.

The success of the first round of the New Generation Thinkers scheme was such that a second round was held at the end of 2011. More than 480 early career researchers applied for the scheme with 52 being awarded places at the BBC workshops. The same mix of practical experience and high-level media exposure awaits the ten winners in the coming year.

Two public engagement events have been held by the AHRC during the last year. The first was a conference – 'Public Engagement in the Arts and Humanities' – which brought together a large and mixed audience of public engagement practitioners, academics, senior managers and representatives from partner organisations to discuss opportunities and challenges in engaging with the public in the arts and humanities. Community engagement was a theme of the day, one that directly supported the Research for Community Heritage call whose aim is to support engagement between researchers and community heritage groups (see over).

Another event brought together all award-holders under the Student-Led Collaborative Research Training scheme public engagement call. This call allowed doctoral students to develop and lead their own public engagement projects and this event, held in November, allowed them to share their experience, present their work and think about next steps in their work and careers in public engagement.



“ I found the NGT experience to be really extraordinary, and potentially career changing...”

For someone already established on an academic career, the NGT was invaluable in opening up the possibility of developing into a 'broadcast intellectual'. Clearly, that is a career too, but not an easy one to get started on, so thank you for the opportunity! ”

Philip Roscoe – one of the New Generation Thinkers 2011

A highly successful workshop was held in February 2012, which brought together researchers specialising in the First World War with BBC commissioning, editorial and production staff in both television and radio. The workshop followed an AHRC call issued in December for researchers to attend the workshop, which was designed to help inform BBC thinking about coverage of the centenary of the First World War in 2014 and beyond. Twelve researchers chosen by peer review attended the workshop, including doctoral students and early career researchers. Responses from both researchers and BBC staff were immensely positive, with a number of suggestions made to hold workshops in other subject areas, including the Industrial Revolution and the centenary of Dylan Thomas's birth.

The Research for Community Heritage call, funded under the Connected Communities programme, attracted 38 submissions with 21 projects being supported. Funded in parallel with a Heritage Lottery Fund (HLF) small grants programme and a BBC TV series, projects will see researchers work closely with community heritage groups to develop joint heritage projects and help develop capacity for community engagement in the sector. The call demonstrated the considerable appetite for cross-sectoral and community engagement by researchers and the significant potential for collaboration in this area. ►

The AHRC continues to work closely with Research Councils UK to ensure the voice of the arts and humanities is heard in all cross-Council public engagement activities. Major developments in the last year have included the transition away from the Researchers in Residence scheme to a series of activities involving partnerships between schools and universities, and plans to fund eight 'Catalyst' universities to support and inspire public engagement across the sector.

Training the researchers of the future

The student-led public engagement call of the AHRC Collaborative Research Training scheme enabled doctoral students to collaborate with each other across departments and institutions to gain invaluable experience and expertise in public engagement.

'Sensory Stories' trained researchers in how to communicate their work to different audiences. Research stories were told through appeals to the senses, especially taste, smell, vision and touch, and by making use of objects, public spaces and performance to reveal exciting aspects of current research. Organised by postgraduates at the University of York, the initiative explored innovative ways of researchers in different disciplines working in collaboration with each other and the wider public, in schools, old people's homes and at local festivals.

Sensory Stories – University of York, Humanities Research Centre



Image: Courtesy of Claire Wood

The PEACE project organised training in community engagement for postgraduate environmental archaeologists at Cardiff University through workshops involving the National Museum of Wales, Cardiff University, Young Archaeologists Club and Techniquet at an educational stall at the Green Man Festival in August 2011. The stall explored the past interaction between people and animals through art projects, costume and displays. A handbook of engagement activities derived from the activities was made available as a free download in October 2011.

PEACE – Postgraduate Environmental Archaeology and Community Engagement, Cardiff University



Image: Courtesy of Matt Law

The Public Engagement in Gender & Sexuality Studies project brought together doctoral researchers from across the arts and humanities with an interest in gender and sexuality studies. It enabled them to create a supportive community for one another, providing them with a toolkit of knowledge and skills that they can use to increase the relevance and validity of their work for public audiences. Its overarching aim was to 'demystify' public engagement, to extend the discussion of public engagement strategies beyond academia and, in doing so, to provide doctoral researchers with vital skills for their future careers.

Demystifying public engagement – Newcastle University, School of English Literature, Language and Linguistics

Corporate Activities

The RCUK Shared Services Centre Ltd

The AHRC outsources its transactional HR, Payroll, Finance, Procurement, IS and Grants processing activities to the Research Councils UK Shared Services Centre (SSC). The SSC is owned by the Department for Business, Innovation and Skills and the seven Research Councils and the services delivered are managed through a series of service level agreements and key performance indicators. Performance is regularly monitored through functional client/customer meetings, both with individual customers and with all Research Council customers.

The AHRC is not only represented at all of these functional meetings but also has a role on the SSC Board as an owner. Since services have gone live the AHRC, other Research Councils and SSC have been working hard to achieve the stabilisation of service before other BIS partner organisations transfer their corporate transactional processing activities to the SSC during 2012-13. Significant work is ongoing through a series of improvement projects to stabilise services by the end of June 2012.

Financial Performance

The accounts for the year ended 31 March 2012 record comprehensive net expenditure for the year of £106.8m (2010-11 £107.8m). The Statement of Financial Position records Payables of £8.3m (2010-11 £6.0m). This relates to a number of items where invoices had not been received at Year End and as such the cash amount held has increased by a similar amount.

Research Expenditure has decreased to £54.9m (2010-11 £60.6m). This reduction is mainly a result of three factors: the cut in the AHRC's Capital allocation, the release of an accrual for Pay Modernisation in HEIs and Wakeham savings. Postgraduate Expenditure has increased to £46.3m (2010-11 £42.4m) as BGPs (Block Grant Partnerships) are increasing at a faster rate than Non BGP Competitions are declining. Additional investment has also been made in areas such as Skills Development.

Grant in Aid drawn down was £106.7m with a further £1.1m of cash granted to AHRC to ensure the budget utilisation of the release of the university pay modernisation accrual.

AHRC have ended the financial year with an outturn within 1% of the allocation from BIS. The capital overspend was forecast at the Mid Year Review and £0.2m of the underspend relates to non-cash items that could not be employed elsewhere.

£ 000	Resource	Capital	Total
Allocation	106,207	1,000	107,207
Outturn	105,635	1,275	106,910
In-year underspend/(overspend)	572	(275)	297

Efficiency

As set out as part of the 2010 Spending Review settlement, the Research Councils have begun implementation of an efficiency programme to drive down the costs and overheads associated with research. The efficiency savings derived from this programme are being re-invested in research.

In the spring of 2011 RCUK published *Efficiency 2011-15: Ensuring Excellence with Impact* describing how the Research Councils would implement the recommendations in Sir William Wakeham's report *Financial Sustainability and Efficiency in Full Economic Costing of Research in UK Higher Education Institutions*. The efficiency savings are being applied to both research grants and fellowships awarded via competitive route to Research Organisations and also to Research Council institutes. The combined savings for the first year (2011-12) are planned to be £30.5m rising over the four-year Spending Review period to reach a total of £428m over the full period.

AHRC achieved savings of £0.82m in 2011-12 from the removal of indexation and the application of the efficiency factor on indirect costs. These savings were recycled in year as per the guidelines and form part of Research Awards in the accounts.

Alongside these measures the Research Councils also introduced changes to the requests for equipment on grants. RCUK is currently working with university partners to develop options to promote and assist equipment sharing, including exploring the issues around asset registers.

Creditor Payment Policy

The AHRC observes HM Treasury Guidance and makes every effort to pay creditors within five days of receipt of invoice. Where this is not possible, the AHRC observes the CBI's Prompt Payers' Guide, and adheres to the Principles of the Prompt Payers' Code, endeavouring to ensure compliance with the agreed terms of payment of creditors' invoices and to pay them within 30 days of receipt of goods and services. During 2011-12, an average of 70% of payments were made within five days.

The aggregate amount owed to trade creditors at 31 March 2012 compared with the aggregate amount invoiced by suppliers during the year, expressed as a number of days in the same proportion to the total number of days in the financial year, is equal to 33 days.

Auditors

The accounts have been audited by the Comptroller and Auditor General, who has been appointed under statute and is responsible to Parliament. The cost of the audit was £51,000. No remuneration was paid to the external auditors in respect of non-audit work in 2011-12. ►

Internal audit was provided independently by the Research Councils' Internal Audit Service (RCIAS). RCIAS report annually to the Audit Committee. The cost of internal audits undertaken during 2011-12 was £40,340. No remuneration was paid to the internal auditors in respect of non-audit work during 2011-12.

The Accounting Officer has taken all reasonable steps to ensure that he is aware of any relevant audit information and to ensure that the Council's auditors are aware of that information. As far as the Accounting Officer is aware, there is no relevant audit information of which the Council's auditors are unaware.

Employee Involvement

The AHRC continues to recognise the Public and Commercial Services Union (PCS) and consults and negotiates with PCS on pay and terms and conditions of employment. The output from the 2011 Employee Survey was communicated to all staff in October 2011 and focus groups were set up to discuss the results – the output from these groups has formed the basis of recommendations to the Senior Management Team (SMT). The project 'Focusing Our Talent' was initiated and during January/February 2012, every employee was consulted by an HR professional from another Research Council, either individually or as a member of a small group. The two HR professionals have written reports for consideration by the SMT.

Health and Safety

AHRC continues to work closely with the Research Councils and other organisations located in Polaris House, Swindon to provide a safe and effective working environment. Across the campus work is underway to ensure that Health and Safety expertise is shared and that core services, such as risk assessments, fire safety, first aid and accident reporting, are provided centrally.

AHRC benefits include supporting staff through periods of illness or change. These include membership of an employee assistance programme and the Benenden Healthcare Scheme for all staff and sickness absence monitoring and occupational health support wherever appropriate. The AHRC has assisted staff with musculoskeletal discomfort with specialist workplace equipment on the advice of occupational health. Assistance has also been given to staff with their convalescence and return to work following operations.

All AHRC staff have completed new online fire safety training this year. We have also carried out an annual review of homeworkers (staff who work at home for two days or more per month). Homeworkers were asked to complete a risk assessment of their home working environment. As a result some additional equipment was provided for some staff. The AHRC now has two trained workplace assessors, which enables immediate action in the event of a problem.

The AHRC had one accident reported this year. The accident was minor and required no first aid or medical attendance.

Sickness Absence Data

Total staff as at 31 March 2012	77
Total calendar days lost to sickness	558
Average calendar days lost to sickness	7.2
Calendar days lost to long-term sickness absence (14 calendar days or more)	27

Common causes of absence	Number of calendar days lost	%
Post Operative	118	21%
Cold/Cough/Flu	83	15%
Musculoskeletal	76	14%
Gastrointestinal	49	9%
Depression	41	7%
Totals	367	66%

The Environment

Due to its headcount and the floor area it occupies the AHRC is out of scope and has received an exemption from BIS for reporting against the Greening Government Commitments and Sustainability requirements.

However, AHRC continues to work with other Research Councils and tenants of Polaris House, Swindon in ensuring the building's impact on the environment is as limited as possible. Currently 86% of waste is recycled – paper, metal, plastic, wood, food waste, old PCs and printers, mobile phones, toner cartridges, batteries, spectacles are all routinely recycled. An environmental plan for the site contains a number of objectives including ongoing waste reduction, introducing solar electricity and water heating, promoting and encouraging a site culture of recycle, reduce and reuse and enhancing the natural environment on site through introducing flora and fauna.

A Green Travel Plan for the Polaris House campus has also been written and endorsed by RCUK's Executive Group to promote sustainable travel and reduce the environmental and social impacts of travel – both commuting and business travel. The plan outlines a number of short, medium and long term objectives, including promoting carshare schemes and working with Swindon Borough Council to open park and ride schemes and improve bus facilities. This year additional shower and drying facilities have been added to the building to support staff who cycle or run into work.

Freedom of Information

Since its formation the AHRC has been subject to the Freedom of Information Act. During 2011-12 we provided information in response to 23 requests.

Personal Data Related Incidents

Incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of other UK information legislation.

Summary of protected personal data related incidents formally reported to the Information Commissioner's Office in 2011-12

Date of incident	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
N/A	N/A	N/A	N/A	N/A

Planned steps for the coming year include:

- risk assess our information assets
- input into the Annual Report to Cabinet Office on Information Risk
- implement new policies, and procedures for document marking.

Summary of other protected personal data related incidents in 2011-12

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the Department are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper document from outside secured Government premises	0
IV	Unauthorised disclosure	0
V	Other	0

2011-12 AHRC Scorecard

All the targets and milestones set out in the 2011-12 AHRC Scorecard were met apart from the following, which have 'amber status' indicating a slight variance from plan:

- a baseline report on existing Research Council interaction with the Department for Communities and Local Government (DCLG), to be provided by the AHRC in 2011-12 to inform a future review of the impact of the recent RCUK/DCLG Concordat, has been temporarily delayed to ensure the focus of the report will fit with the proposed review
- the development of evidence on the value and impact of the AHRC has taken priority in 2011-12 over a review of the AHRC's support for early-career researchers, which has been rescheduled for the coming year
- while AHRC engagement with international organisations to develop co-funded programmes in 2011-12 resulted in joint funding with the Netherlands Organisation of Scientific Research (NWO), involvement with the Digging Into Data initiative, and applications received under agreements with the São Paulo Research Foundation and the National Science Foundation in the USA, the AHRC aims to further increase international opportunities for UK researchers
- while the AHRC's Delivery Plan ambitions for building new private sector partnerships have not yet been fully realised, development continued in 2011-12 with an analysis of existing partnerships to inform strategy in this area
- although the AHRC continues to work with the other Research Councils and the Shared Service Centre (SSC) to increase harmonisation and improve efficiency, progress over 2011-12 has been challenging given the complexities of the system.

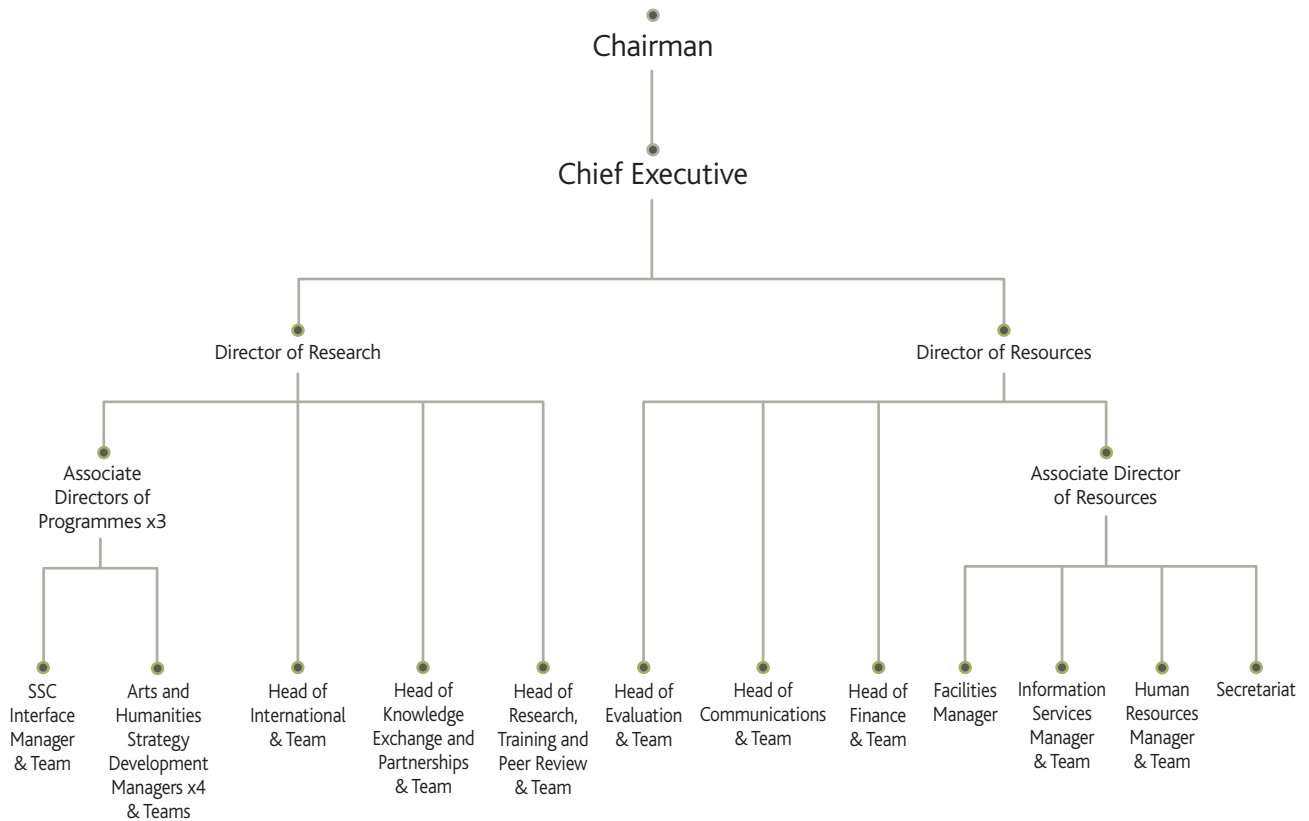
Annual Report signed by



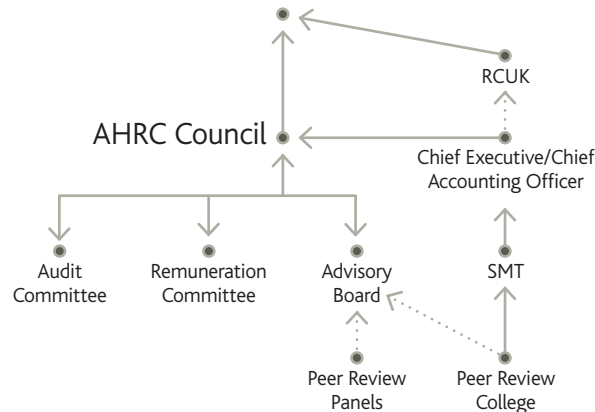
Professor Rick Rylance
Accounting Officer
13th June 2012

AHRC Structure: 2011-12

The Arts and Humanities Research Council's Organisational Plan and Structure*



BIS (Department for Business, Innovation and Skills) (Director General for Science and Research)



* During the year the AHRC restructured from a three-Directorate to a two-Directorate structure. This diagram represents the AHRC's structure as at 31 March 2012.

AHRC Council Members

from 1 September 2011 to 31 August 2012



**Professor
Sir Alan Wilson**
UCL



**Dame
Lynne Brindley**
British Library



**Professor
John Butt**
University of Glasgow



Ms Sally Doganis
Media Expert, London



**Professor Ellen
Douglas-Cowie**
Queen's University Belfast



**Professor
David Eastwood**
University of Birmingham



**Mrs Felicity
Harvest**
Creative & Performing Arts



**Professor
John Howkins**
Writer and Consultant, London



**Professor
Roger Kain**
School of Advanced Study



**Professor Ewan
McKendrick**
University of Oxford



**Professor
Rick Rylance**
Chief Executive, AHRC



Mr Trevor Spires
retired, ex-Royal Navy



**Professor
Andrew Thompson**
University of Exeter



**Professor
Greg Walker**
University of Edinburgh



**Professor Sarah
Worthington**
University of Cambridge

AHRC Council Members

who left during 2011-12



Professor
Jonathan Bate
University of Oxford



Mr Richard
Halkett
CISCO



Professor
Sir Rick Trainor
King's College London

The Council must ensure that the AHRC operates in accordance with the objects enshrined in its Royal Charter.

It is also responsible for ensuring that the AHRC complies with requirements contained in the Management Statement and Financial Memorandum, which set out the relationship between the Research Council and the Department for Business, Innovation & Skills (BIS). In relation to the Financial Memorandum, Council has responsibility for the overall financial management of the AHRC. The Chief Executive of the AHRC is the Accounting Officer and as such is accountable to the Permanent Secretary for BIS.

Members of Council, including the Chair and Chief Executive, are appointed by BIS. Professor Sir Alan Wilson is Chair of Council and Professor Rick Rylance is the AHRC Chief Executive. Further information about them and other members of Council can be found in the Remuneration Report. Appointments are made in accordance with the Code of Practice for Public Appointments. The Director of Research Base at BIS attends Council meetings as the representative of the Secretary of State for BIS.

Council is advised by its Committees, Boards, peer-review panels and working groups. Council has formerly delegated responsibility for decisions on granting awards to the relevant subject panels, which operate through a system of rigorous peer review.

Members of Council and senior staff in AHRC are required to declare any potential conflicts of interest in the Register of Interests, which is available on request. Council members' details can be reviewed on the AHRC website: www.ahrc.ac.uk

AHRC Committee Members

Audit Committee

Mr Trevor Spires

Chair (ex-Royal Navy)

Professor Roger Kain

(School of Advanced Study)

Professor Emeritus Eric Evans

(Formerly Lancaster University)

Ms Jacqueline Burke

(Financial Management Consultant)

Mr Robert Williams

(Oxford University)

Remuneration Committee

Professor Sir Alan Wilson

Chair (AHRC Chairman)

Professor Sarah Worthington

(University of Cambridge)

Professor Roger Kain

(School of Advanced Study)

Professor Rick Rylance

(AHRC Chief Executive)

Advisory Board

Council member as Chair: Professor Ellen Douglas-Cowie
(University of Belfast)

Council member: Professor Sarah Worthington
(University of Cambridge)

Professor Catherine Davies
(University of Nottingham)

Professor Nigel Llewellyn
(Tate)

Professor Tim Hitchcock
(University of Hertfordshire)

Professor Lyn Pykett
(Aberystwyth University)

Ms Nichola Johnson
(University of East Anglia)

Professor John Rink
(University of Cambridge)

Professor Chris Gosden
(University of Oxford)

Mr John Holden
(City University)

Professor Helen Beebee
(University of Birmingham)

Professor David Ferguson
(University of Edinburgh)

Ms Clare Reddington
(Director of iShed, Bristol)

Peer Review

Research Grants – July 2011

Panel A

- Dr Martin Chick**
University of Edinburgh
- Dr Maria Power**
University of Liverpool
- Dr Martin O’Kane**
University of Wales, Lampeter
- Professor John Flood**
University of Westminster
- Professor Michael Luntley**
University of Warwick
- Professor Neil Wynn**
University of Gloucestershire
- Professor Stephen Ingle**
University of Stirling

Panel B

- Professor Jan Smaczny**
Queen’s University of Belfast
- Dr Neil Boynton**
Lancaster University
- Professor Kerstin Mey**
University for the Creative Arts
- Professor Michael Punt**
University of Plymouth
- Professor Nick Kaye**
University of Exeter
- Professor Paul Coldwell**
University of the Arts London

Panel C

- Professor Simon Esmonde Cleary**
University of Birmingham
- Dr Louise Steel**
University of Wales, Lampeter
- Dr Richard Phillips**
University of Liverpool
- Professor Elizabeth James**
University of Sussex
- Professor John Feather**
Loughborough University
- Professor Simon Swain**
University of Warwick

Panel D

- Professor David Shepherd**
Keele University
- Dr Esther Jane Sonnet**
University of Portsmouth

KEY

- Panel A** History, Thought and Systems of Belief
- Panel B** Creative and Performing Arts
- Panel C** Cultures and Heritage
- Panel D** Languages and Literature

- Professor Andrea Noble**
Durham University
- Professor Andrew Gerstle**
School of Oriental & African Studies
- Professor Felix Driver**
Royal Holloway, University of London
- Professor Joan Beal**
University of Sheffield
- Professor Linda Paterson**
University of Warwick
- Professor Robert Vilain**
University of Bristol
- Professor Rosalind Ballaster**
University of Oxford

Research Grants – October 2011

Panel A

- Professor Nicholas de Lange**
University of Cambridge
- Dr Erica Camilla Diana Hunter**
School of Oriental & African Studies
- Dr Juliette Pattinson**
University of Strathclyde
- Professor Dan Cohn-Sherbok**
University of Wales, Lampeter
- Professor David Cowan**
University of Bristol
- Professor Gillian Douglas**
Cardiff University
- Professor Michael Luntley**
University of Warwick
- Professor Nick Zangwill**
Durham University
- Professor Phillipp Schofield**
Aberystwyth University
- Professor Rosemary Sweet**
University of Leicester

Panel B

- Professor David Gauntlett**
University of Westminster
- Dr Frank Gray**
University of Brighton

- Dr Suzel Reily**
Queen’s University of Belfast

- Professor Adam Hardy**
Cardiff University
- Professor Janis Jefferies**
Goldsmiths College
- Professor Katherine Newey**
University of Birmingham

- Professor Michael Punt**
University of Plymouth
- Professor Peter Manning**
Durham University

Panel C

- Professor Douglas Cairns**
University of Edinburgh
- Dr Mark Lake**
University College London
- Dr Pamela Meecham**
Institute of Education
- Dr Peter Merriman**
Aberystwyth University
- Professor Jake Kaner**
Buckinghamshire New University
- Professor Stephen Brown**
De Montfort University

Panel D

- Professor Carol Tully**
Bangor University
- Dr Claire Lindsay**
University College London
- Professor Charles Forsdick**
University of Liverpool
- Professor Christina Schaeffner**
Aston University
- Professor Diane Watt**
University of Surrey
- Professor Jane Arthurs**
University of the West of England
- Professor Judith Simons**
De Montfort University
- Professor Neil Blain**
University of Stirling
- Professor Robert Gordon**
University of Cambridge
- Professor Thomas Clancy**
University of Glasgow

Research Grants – January 2012

Panel A

- Professor Robert Shoemaker**
University of Sheffield
- Professor Anthony Wright**
University of Leeds
- Professor Barbara Goodwin**
University of East Anglia
- Professor Geoffrey Scott Gilbert**
University of Essex
- Professor Henry French**
University of Exeter
- Professor Maiken Umbach**
University of Nottingham
- Professor Peter Osborne**
Kingston University
- Professor Phillipp Schofield**
Aberystwyth University
- Professor Ron Geaves**
Liverpool Hope University
- Professor Thomas Schramme**
University of Hamburg

Panel B

- Professor Darren Newbury**
Birmingham City University
- Dr Julia Hallam**
University of Liverpool
- Professor Craig Richardson**
Northumbria University
- Professor Dew Harrison**
University of Wolverhampton
- Professor Mark Everist**
University of Southampton
- Professor Peter Nelson**
University of Edinburgh
- Professor Ramsay Burt**
De Montfort University

Panel D

- Professor Andrew Ginger**
University of Bristol
- Professor Linda Paterson**
University of Warwick
- Professor Neil Renwick**
Coventry University
- Professor Robert Hampson**
Royal Holloway, University of London
- Professor Rosalind Ballaster**
University of Oxford

Fellowships – April 2011

Panel A/C

- Dr Keir Waddington**
Cardiff University
- Dr David Law**
The University of Manchester
- Dr Julia Barrow**
University of Nottingham
- Professor Alison Assiter**
University of the West of England
- Professor Carl Stychin**
University of Reading
- Professor Charlotte Mary Roueche**
King's College London
- Professor Edward Spiers**
University of Leeds
- Professor Ian Armit**
University of Bradford
- Professor Thomas Schramme**
University of Hamburg

Panel B

- Professor Peter Middleton**
University of Southampton
- Dr Marquard Smith**
University of Westminster
- Professor Gabriella Giannachi**
University of Exeter
- Professor John Whenham**
University of Birmingham

Panel D

- Professor Philip Powrie**
University of Surrey
- Dr Louise Haywood**
University of Cambridge
- Dr Philip Durkin**
Oxford University Press
- Professor Faye Hammill**
University of Strathclyde
- Professor Raymond Boyle**
University of Glasgow

Fellowships – July 2011

Panel A

- Professor William Ormrod**
University of York
- Professor Andrew Louth**
Durham University
- Professor Carl Stychin**
University of Reading
- Professor Henry French**
University of Exeter

Professor Jonathan Morris
University of Hertfordshire

Professor Naomi Eilan
University of Warwick

Professor Rebecca Wallace
University of the Highlands and Islands

Panel B

- Dr Andrew Quick**
Lancaster University
- Professor Anne Douglas**
The Robert Gordon University
- Professor John Whenham**
University of Birmingham
- Professor Michael Wilson**
University College Falmouth

Panel C

- Professor Christopher Dyer**
University of Leicester
- Dr Jonathan Finch**
University of York
- Dr Julian Warner**
Queen's University of Belfast
- Mr David Watkinson**
Cardiff University
- Professor Karla Pollmann**
University of St Andrews
- Professor Richard Hartley**
Manchester Metropolitan University

Panel D

- Professor Morag Shiach**
Queen Mary, University of London
- Dr Kirsty Hooper**
University of Liverpool
- Dr Raluca Radulescu**
Bangor University
- Professor Helen Fulton**
University of York
- Professor Joe Andrew**
Keele University
- Professor John Joseph**
University of Edinburgh
- Professor Karin Beate Lesnik-Oberstein**
University of Reading
- Professor Leslie Hill**
University of Warwick
- Professor Raymond Boyle**
University of Glasgow

Fellowships – October 2011

Panel A

Professor Edward Spiers

University of Leeds

Dr David Law

The University of Manchester

Professor John Fraser

University of Nottingham

Professor Justin Willis

Durham University

Professor Krista Cowman

University Of Lincoln

Professor Michael Braddick

University of Sheffield

Professor Malgosia Fitzmaurice

Queen Mary, University of London

Professor Paul Standish

Institute of Education

Professor Paul Weller

University of Derby

Professor Sean Connolly

Queen's University of Belfast

Panel B

Professor Adrienne Scullion

University of Glasgow

Dr Colin Cruise

Aberystwyth University

Dr Rupert Till

University of Huddersfield

Professor Robert Stone

Swansea University

Professor Sarah Whatley

Coventry University

Professor Vaughan Hart

University of Bath

Panel C

Professor Ian Armit

University of Bradford

Dr Graeme Earl

University of Southampton

Ms Jane Carmichael

National Museums of Scotland

Professor Gillian Rose

Open University

Professor Michael Fulford

University of Reading

Professor Neville Morley

University of Bristol

Panel D

Professor Helen Fulton

University of York

Dr Adam Ledgeway

University of Cambridge

Dr Ann Davies

Newcastle University

Dr Hilde De Weerd

University of Oxford

Dr Wilson McLeod

University of Edinburgh

Professor John Thompson

Queen's University of Belfast

Professor Lucille Cairns

Durham University

Professor Nahem Yousaf

Nottingham Trent University

Professor Richard Towell

University of Salford

Professor Robert Vance

University of Sussex

Fellowships – December 2011

Panel A

Professor John Flood

University of Westminster

Professor Cosmo Graham

University of Leicester

Professor Gavin Flood

University of Oxford

Professor Ian Talbot

University of Southampton

Professor Krista Cowman

University of Lincoln

Professor Lindsay Farmer

University of Glasgow

Professor Mary Margaret McCabe

King's College London

Professor Naomi Eilan

University of Warwick

Professor Robert Gleave

University of Exeter

Panel B

Professor Roberta Mock

University of Plymouth

Professor Mark Jancovich

University of East Anglia

Professor Martin McQuillan

Kingston University

Professor Simon Emmerson

De Montfort University

Professor Sita Popat

University of Leeds

Panel C

Professor Greg Woolf

University of St Andrews

Dr Graeme Earl

University of Southampton

Professor Charlotte Mary Roueche

King's College London

Professor Jules Lubbock

University of Essex

Professor Lawrence Stephen Barham

University of Liverpool

Panel D

Professor Morag Shiach

Queen Mary, University of London

Dr Bran Nicol

University of Portsmouth

Dr Charles Burdett

University of Bristol

Dr Louise Haywood

University of Cambridge

Professor John Joseph

University of Edinburgh

Professor Stuart Allan

Bournemouth University

Knowledge Transfer Fellowship – May 2011

Professor Seymour Roworth-Stokes

University for the Creative Arts

Dr Ross Parry

University of Leicester

Professor Graham Ward

The University of Manchester

Professor Jeanette Steemers

University of Westminster

Professor Nicholas Stanley

The British Museum

Professor Svenja Adolphs

University of Nottingham

KEY

Panel A History, Thought and Systems of Belief

Panel B Creative and Performing Arts

Panel C Cultures and Heritage

Panel D Languages and Literature

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Remuneration Policy

Council Chair and Council Members

Remuneration rates for Council Chair and Council Members are the same across Research Councils. The Department for Business, Innovation and Skills (BIS) advise Research Councils of the rates they are required to pay following an annual review.

Chief Executive

The Remuneration Committee established and chaired by BIS's Director General of Knowledge and Innovation reviews the performance of the Chief Executive and recommends any changes to his salary. These recommendations are subject to ratification by the Permanent Secretary of BIS. The Chief Executive is eligible to be considered for an annual performance pay award of up to 5% of basic pay. The actual level of bonus is assessed by the Remuneration Committee and approved by the Permanent Secretary of BIS and is based on the progress made by AHRC towards the achievement of its mission, the personal contribution of the Chief Executive towards this mission and achievement of any further objectives agreed with the Director General of Knowledge and Innovation. The Chief Executive is also eligible for a 5% bonus linked to the achievement of RCUK objectives, which will be assessed and approved in the same way. An appointment term bonus of up to 10% of basic salary earned in the appointment period is also available subject to the Chief Executive staying in post for the whole appointment period. Any appointment term bonus is agreed by the Remuneration Committee and the Permanent Secretary of BIS.

Directors

The AHRC Remuneration Committee is responsible for advising the Council on matters relating to the remuneration of Directors and other pay-related matters for senior staff. The Chair of AHRC is the Chair of the Remuneration Committee and the Chief Executive of AHRC and two members of the Council form the membership of the Committee. With effect from 1 April 2011 Professor Roger Kain and Professor Sarah Worthington were the two Council members, along with the Chair and Chief Executive of AHRC, who formed the Remuneration Committee.

The Committee's responsibilities are to:

- consider and make recommendations to the Council on pay and other terms and conditions of employment of senior staff (Directors and Associate Directors)
- agree arrangement for individual performance management, and review performance against objectives for individual members of senior staff
- review annually the salaries (and any other payments) paid to senior staff, and recommend changes to the Council as an outcome of this review and

- consider and recommend to the Council other payments to senior staff, including severance payments, and any terms associated with such payments.

In making its recommendations the Committee considers that remuneration is sufficient to attract, retain and motivate the suitably qualified and able directors it needs to run the organisation successfully but that it should avoid paying more than is necessary for this purpose. The Committee considers the whole remuneration package and considers recommendations contained in the relevant Review Body on Senior Salaries report and other relevant information (such as market rate reports) when making its recommendation. Bonus payments of between 0% and 7.5% are considered by the Remuneration Committee depending on individual performance.

Contracts of Employment

Council Chair and Council Members

Council Chair and Council Member appointments are Ministerial Appointments made by the Secretary of State for BIS. The process for new appointments to the Council Chair and Council Members is conducted under the Code of Practice for Ministerial Appointments to Public Bodies. This is available at <http://publicappointmentscommissioner.independent.gov.uk>. In accordance with the Code, vacancies are advertised nationally and a panel, including independent members, oversees the process. The panel reviews all applications, shortlists and interviews then makes a recommendation to the Secretary of State. Once the Secretary of State has made a final decision, an offer of appointment is issued by BIS on his behalf to the successful candidate.

Council Chair and Council Members are defined as Office Holders. They are neither employees nor civil servants. Appointments are made for three years initially with the possibility of reappointment for up to a further three years. Appointments are non-pensionable and there is no compensation for loss of office.

Chief Executive

The appointment of the Chief Executive of AHRC is made by the Secretary of State for BIS on the recommendation of the Director General, Knowledge and Innovation. The Chief Executive's contract of employment is determined by BIS. Professor Rick Rylance was appointed as Chief Executive for a four-year contract commencing on 1 September 2009. The Chief Executive is required to give three months' notice should he wish to leave AHRC.

Directors

All other senior appointments are made in accordance with AHRC's Recruitment and Selection policy, the aim of which is to 'select the most suitable person available for the job on the basis of merit and ability to do the job'.

Unless otherwise stated below, the Directors covered by this report hold appointments, which are open-ended until they reach the AHRC's normal retirement age, which is 65. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme or statutory redundancy payments, according to eligibility. Directors are required to give three months' notice should they wish to leave AHRC.

Audited Information Salary and Pension Entitlement

The following sections provide details of the remuneration of the Council Chair, Council Members, Chief Executive and Directors of AHRC and the pension benefits of the Chief Executive and Directors of AHRC. No senior staff at AHRC is in receipt of benefits in kind. This information is subject to audit.

Remuneration

	AHRC 2011-12 Bonus (£ 000)	AHRC 2011-12 Salary (£ 000)	AHRC 2011-12 Total (£ 000)	AHRC 2010-11 Bonus (£ 000)	AHRC 2010-11 Salary (£ 000)	AHRC 2010-11 Total (£ 000)
Chief Executive and Directors of AHRC						
Professor Rick Rylance, Chief Executive	0 - 5 ¹	110 - 115 ²	120 - 125	0 - 5	100 - 105	100 - 105
Mr Graham Raikes, Director of Resources	0 - 5	85 - 90	85 - 90	0 - 5	85 - 90	85 - 90
Professor Shearer West ³ , Director of Research	0 - 5	25 - 30	30 - 35	0 - 5	75 - 80	75 - 80
Mr Jonathan Breckon ⁴ , Director of Policy and Public Affairs	0	45 - 50	45 - 50	0 - 5	70 - 75	70 - 75
Professor Mark Llewellyn ⁶ , Director of Research	n/a	15 - 20	15 - 20	n/a	n/a	n/a
Band of Highest Paid Director Total Remuneration (£ 000s) ⁷		110 - 115			100 - 105	
Median Total Remuneration		25 - 30			25 - 27	
Ratio		4.3			3.7	

¹ In addition Professor Rylance is eligible for an end of term bonus of up to 10% of pay annually if he completes his four-year term. This bonus pot is currently £5,781 and will only be realised if Professor Rylance is still in post on 31 August 2013.

² This includes a payment of £20,300 pa wef 1 July 2011 in recognition of Professor Rylance's responsibilities as Executive Group Chair of RCUK.

³ Professor West left the AHRC on 28 July 2011.

⁴ Mr Breckon left the AHRC on 25 November 2011.

⁵ Mr Breckon received a severance payment of £18,023 when his post was made redundant. This payment was made in line with the Civil Service Compensation Scheme arrangements. He also received a payment of £17,620 equivalent to his three months' notice pay.

⁶ Professor Llewellyn joined the AHRC on 1 January 2012 on a fixed term appointment.

⁷ Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest-paid director in the AHRC in the financial year 2011-12 was £110-115,000 (the Chief Executive). This was 4.3 times the median remuneration of the workforce, which was £25-30,000.

	AHRC 2011-12 Bonus (£ 000)	AHRC 2011-12 Salary (£ 000)	AHRC 2010-11 Bonus (£ 000)	AHRC 2010-11 Salary (£ 000)
Council Chair and Council Members				
Sir Alan Wilson, Council Chair	n/a	15 - 20	n/a	15 - 20
Individual Council Members ⁸	n/a	5 - 10	n/a	5 - 10
Individual Council Members ⁹	n/a	0 - 5	n/a	5 - 10
Individual Council Members ¹⁰	n/a	0 - 5	n/a	0
Individual Council Members ¹¹	n/a	5 - 10	n/a	0 - 5
Individual Council Members ¹²	n/a	5 - 10	n/a	5 - 10
Individual Council Members ¹³	n/a	0	n/a	0 - 5
Individual Council Members ¹⁴	n/a	20 - 25	n/a	0 - 5

⁸ Ms Sally Doganis, Mr John Howkins, Professor Roger Kain, Professor Ellen Douglas-Cowie and Dame Lynne Brindley.

⁹ Professor Rick Trainor, Professor Jonathan Bate and Mr Richard Hallkett left Council during 2011/12.

¹⁰ Professor David Eastwood, Professor Greg Walker and Ms Felicity Harvest joined Council during 2011/12.

¹¹ Professor Sarah Worthington, Professor John Butt and Professor Ewan McKendrick joined Council in 2010/11.

¹² Mr Trevor Spiers joined Council in 2010/11.

¹³ Dr Ivon Asquith, Professor April McMahon, Professor John Caughie and Professor Rachel Cooper left Council during 2010/11.

¹⁴ Professor Andrew Thompson joined Council in 2010/2011. Since 1 December 2011 Professor Thompson has been supporting AHRC's Chief Executive for two days per week whilst he undertakes his Chair of RCUK duties. The AHRC has recompensed Exeter University for Professor Thompson's time. In addition to his salary payment indicated above AHRC has also paid VAT, national insurance and pensions contributions to Exeter University.

Benefits

Chief Executive and Directors of AHRC	Accrued pension as at 31/3/12 ¹ £ 000	Real increase in pension £ 000	CETV at 31/3/12 ² £ 000	CETV at 31/3/11 £ 000	Real increase in CETV £'000
Professor Rick Rylance Chief Executive	37 plus lump sum of 110 - 115	3	931	784	Information ⁵ not available
Mr Graham Raikes Director of Resources	6	2	61	36	19
Mr Jonathan Breckon ³ Director of Policy and Public Affairs	5	1	27	19	6
Professor Shearer West ⁴ Director of Research	25 plus lump sum of 75 - 80	1	428	438	Information ⁵ not available
Professor Mark Llewellyn Director of Research	5 plus lump sum of 15 - 20	2	41	n/a	Information ⁵ not available

Note: No pension is provided for the Chair or members of Council

¹ The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Current pension age is 65.

² CETV calculations have been revised once again this year. As a result this figure will differ from the closing figure in last year's accounts.

³ Mr Jonathan Breckon left the AHRC on 25 November 2011. Figures reported from 1 April 2011 to leave date.

⁴ Professor Shearer West left the AHRC on 28 July 2011. Figures reported are from 1 April 2011 to leave date.

⁵ The USS does not provide this information.

Pensions

Pension benefits are provided through the Research Councils' Pension Scheme for all new staff except those eligible for membership of the Universities Superannuation Scheme.

Research Councils' Pension Scheme

The employees of the Council are members of the Research Councils' Pension Scheme (RCPS), which is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS is in all respects 'by-analogy' with the Principal Civil Service Pension Scheme, except that the employer's contribution is determined separately. The scheme provides retirement and related benefits based on final or average emoluments. Redundancy and injury benefits are administered and funded by the Council. The scheme is administered by

the Research Councils' Joint Superannuation Service with the associated grant-in-aid managed by BBSRC.

Employees may be in one of four defined benefit scheme arrangements: either a 'final salary' scheme (Classic, Classic plus or Premium); or a career average scheme (Nuvos). Pensions payable are increased annually in line with changes in the Consumer Prices Index (CPI). The employer contribution rate is agreed by the RCPS Board of Management on the recommendation of the Government Actuary's Department (GAD) and is set at 26.0% of pensionable pay. Employee contribution rates have varied between 1.5% and 3.5% depending on scheme. However, from 1 April 2012 employee contribution rates have been increased and the new rates are as follows:

Annual pensionable earnings (full-time equivalent basis)	1 April 2012 Classic Scheme contribution %	1 April 2012 Classic Plus, Premium & Nuvos Scheme contribution %
Up to £15,000	1.5	3.5
£15,001 - £21,000	2.1	4.1
£21,001 - £30,000	2.7	4.7
£30,001 - £50,000	3.1	5.1
£50,001 - £60,000	3.5	5.5
Over £60,000	3.9	5.9

As an alternative to the RCPS a Partnership Pension Account was made available to new recruits from 1 October 2002. It is based on the portable Stakeholder Pension introduced by the Government in 2001. This is a defined contribution scheme. The employers pay the RCPS 0.8% of pensionable pay to cover death in service and ill health benefits. The employers pay an age-related contribution to the employee's private pension provider.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age or immediately on ceasing to be an active member of the scheme if they are already at or over pensionable age. Pensionable age is 60 for members of the Classic, Classic plus and Premium scheme arrangements and 65 for members of Nuvos.

For further details about the Research Councils Pension Scheme pension arrangements can be found at the website <http://jsspensions.nerc.ac.uk/>

Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's or partner's pension payable from the scheme. A CETV is a payment made by a pension scheme when the member leaves a scheme and chooses to transfer the benefits accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme which the individual has transferred to the Research Councils' pension arrangement and for which the RCPS has received a transfer payment commensurate with the additional pension liabilities being taken on. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years and additional pension at their own cost.

Real increase in the value of the CETV

The real increase in the value of the CETV reflects the increase effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme) and uses common market valuation factors for the start and end of the period. The actuarial factors used in the calculation of the CETV rate changed during 2011. The new factors mean that the CETV figures shown for 31 March 2011 will not correspond to the figures shown in the remuneration report in the 2010-11 published accounts.

Universities Superannuation Scheme

From September 2005, staff who join AHRC and have an existing pension with Universities Superannuation Scheme (USS) are offered continued membership of this scheme. The USS is a defined benefit scheme, which is externally funded and contracted out of the State Second Pension. Employee contributions are set at 7.5% of salary until age 65 or 40 years' pensionable service is completed, whichever is earlier. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum of 3/80ths of pensionable salary for each year of pensionable service is paid tax-free on retirement. Pensions payable are increased in the same manner and subject to the same conditions as are official pensions under the Pensions (Increase) Act 1971 and subsequent amendments. The increases are currently in line with changes in the Retail Price Index.

Further details about the Universities Superannuation Scheme arrangements can be found at www.uss.co.uk

Annual Report signed by



Professor Rick Rylance
Accounting Officer
13 June 2012

Accounts

Accounts Direction

These accounts have been prepared in accordance with the Accounts Direction, issued by the Secretary of State for Business, Innovation and Skills, in accordance with Section 6.3 of the Higher Education Act 2004. The accounts follow best commercial practice having due regard to the Council's status.

Statement of Council's and Chief Executive's Responsibilities

Under the Higher Education Act 2004, the Secretary of State for Business, Innovation and Skills, with the consent of the HM Treasury, has directed the Arts and Humanities Research Council to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Arts and Humanities Research Council and of its income and expenditure, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State for Business, Innovation and Skills, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements and
- prepare the financial statements on a going concern basis.

The Accounting Officer for the Department for Business, Innovation and Skills has designated the Chief Executive as Accounting Officer of the Arts and Humanities Research Council. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Arts and Humanities Research Council's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer's Memorandum issued by the Treasury and published in *Managing Public Money* (HMSO).

AHRC Governance Statement 2011-12

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of governance and internal control, which supports the achievement of the AHRC's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible and ensuring they are

properly accounted for and used economically, efficiently and effectively, in accordance with 'Managing Public Money' and the requirements set out in the Management Statement and Financial Memorandum agreed between the AHRC and its sponsoring department; the Department for Business, Innovation and Skills (BIS).

The Purpose of the Governance Statement

The Governance Statement, for which the Accounting Officer takes personal responsibility, gives a clear understanding of the dynamics of the business and its control structure. Essentially, it records the stewardship of the organisation to supplement the accounts, providing a sense of the organisation's performance; and of how successfully it has coped with the challenges it faces. It provides an adequate insight into the business of the organisation and its use of resources to allow the Accounting Officer to make informed decisions about progress against business plans and if necessary steer performance back on track. In doing this the Accounting Officer is supported by a Governance framework, which includes the Council, its Committees and Senior Management Officials.

This statement explains how the organisation has complied with the principles of Good Governance and reviews the effectiveness of these arrangements.

The AHRC's Governance Structure

The AHRC is governed by its Council, which ensures that the organisation pursues the objectives set out in its Royal Charter. Council establishes and agrees the overall strategic direction of the AHRC including the AHRC's mission, its aims, objectives and targets, as set out in the Delivery Plan. It reviews regular financial reports on the management and performance of the AHRC ensuring that appropriate action is taken to address any concerns identified, thus ensuring the good financial management of the Council. The Council also reviews the overall risk profile of the AHRC as well as individual risks identified by the Risk Management Committee and Senior Management Team as carrying a high degree of threat. The Council is advised by two standing committees, the Audit Committee and the Remuneration Committee and one advisory group, the Advisory Board. In addition, there are three sub-groups providing advice to Council: Strategy Consultation Group (comprising Council members and the AHRC Chief Executive), Knowledge Exchange Consultation Group and International Consultation Group (both comprising Council and Advisory Board members as well as senior AHRC staff). The Council had a 95% attendance rate in 2011-12. The process for appointing Council members involves an advertisement in the national press and takes recommendations from Subject Associations, Vice-Chancellors and other external contacts. Oversight is provided by the Office of the Commissioner for Public Appointments (OCPA) and ministerial approval is required. A diagram of the AHRC's organisational structure, including the lines of reporting between Council and other organisational functions is shown on page 34. Members of Council, and of the AHRC's committees, are listed on pages 35-36.

In the spring of 2012 Council conducted an effectiveness self-assessment in the form of a questionnaire followed by discussion to arrive at a consensus view. Whilst Council was satisfied that it was able to discharge its responsibilities effectively, a number of areas for improvement have been identified and will be addressed during the coming year.

Audit Committee, which includes independent members in addition to Council members, provides assurance to Council on the adequacy and effectiveness of the AHRC's framework of governance, risk management and controls. It provides regular assurance to Council and the Accounting Officer that the areas of risk, control and governance are regularly reviewed for issues that may threaten the AHRC's core business or reputation. It recommends to Council for approval the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors. It advises and approves plans for audit activity and considers the results of both internal and external audits and the adequacy of management response to issues identified by audit activity. It comments on questions of value for money and the general efficiency and effectiveness with which the Council's activities are undertaken, and recommends appropriate action as necessary. The Committee also offers advice on which areas of risk could be included for consideration within the risk management system. Audit Committee had a 90% attendance rate in 2011-12.

The Remuneration Committee is responsible for advising the Council on matters relating to the remuneration of Directors and Associate Directors and other pay-related matters for senior staff.

The Senior Management Team (SMT), comprising the Chief Executive, Directors and Associate Directors, is the executive body for the AHRC and is responsible for management of the AHRC. SMT reviews risks associated with AHRC activities and decides appropriate response actions. SMT considers regular reports, compiled by the Risk Co-ordinator, of the discussions at the AHRC's Risk Management Committee, proposing new risks, changes to existing risks and relevant response actions.

The Risk Management Committee (RMC) comprises representatives from across the AHRC, all of whom are Management Advisory Group members, plus the Director of Resources as chair and the Risk Co-ordinator. It meets quarterly to review current risks, identify new risks, and propose changes to the risk register. The RMC also notes the quarterly directors' statements on internal control. Members raise awareness of risk management amongst other staff and encourage a risk management culture at the AHRC.

2011-12 was the first of four years in the new spending review period in which the AHRC is operating under its Delivery Plan 2011-15. The key objectives from the Delivery Plan feed into an internal annual 'Scorecard' where progress is monitored quarterly by SMT and Council, and is reported to BIS.

In 2011-12 the AHRC carried out a restructuring in order to achieve an organisational structure better suited to delivering Delivery Plan objectives. This involved reducing the number of directorates from three to two by dissolving the Policy and

Public Affairs directorate and transferring its functions into the two remaining directorates, Programmes and Resources. In addition, a third Associate Director has been appointed within the Programmes division. Given my additional duties as Chair of RCUK, consultation and advice on strategy and operations during 2011-12 has also been provided through the appointment of Council member Professor Andrew Thompson as an Executive Advisor and the closer involvement of the Council Chair, Sir Alan Wilson.

Along with the other Research Councils AHRC is currently undertaking a review of its three key governance documents, the Management Structure, the Code of Conduct and the Financial Memorandum, to ensure their compliance with the new Corporate Governance Code.

The Risk and Internal Control Framework

The AHRC Risk Management Framework, in place for the whole of 2011-12, communicates how risk management is carried out at the AHRC. It describes the activities required to manage risk effectively. The framework is based on the guiding principles of risk management but takes account of the AHRC's structure, processes and culture.

RMC members consult with colleagues and meet quarterly in advance of SMT and Audit Committee meetings to: identify new risks within the organisation; assess the potential impact and likelihood of new and existing risks using agreed scales; and suggest response actions. SMT and MAG (Management Advisory Group) review the findings of the RMC and provide further input where required. Audit Committee reviews the updated risk register and provides advice to Council on significant risks. Council reviews significant high-level risks and monitors the overall risk profile of the AHRC.

The AHRC operates in a low risk environment with a control framework subject to public sector oversight. Risk appetite is determined by a risk tolerance boundary whereby assessed risks considered to be at the highest level are escalated to Council for consideration.

Risks to information are managed by information asset owners from across the organisation who identify changes to information risk in quarterly returns, which are sent to the Department for Business, Innovation and Skills, the AHRC's sponsoring government department. The AHRC has also made progress over 2011-12 in compliance with the HMG Security Policy Framework (SPF). The AHRC's Security Risk Management Overview (SRMO) Annual Return provides evidence of compliance against the mandatory requirements of the HMG SPF. RCIAS provided an independent and objective review of the evidence supporting the AHRC's SRMO Annual Return for 2011-12. Of the 18 mandatory requirements appropriate for the AHRC, RCIAS considered the AHRC to be 'fully compliant' with nine, 'largely compliant' with eight, and 'partially compliant' with one requirement, relating to internal office security, which the AHRC will address in the coming year.

In 2011-12 the AHRC successfully completed its first year of implementation of the Management of Risk of Financial Loss (MRoFL) toolkit. Six core processes were comprehensively reviewed, with two evidenced by RCIAS end-to-end audits.

Overall it was recognised that AHRC has a strong control framework in place. Where there are common areas of risk requiring cross-Council or SSC action, remedial actions are taken forward and monitored by existing function-specific cross-Council working groups (known as 'Practitioner Groups'), and overseen by the cross-Council Client Services Group (CSG). Actions which are within AHRC's retained functions, or are unique to AHRC, are taken forward and monitored by the relevant Process Owners.

AHRC reviewed its framework of delegated authority in 2011-12, resulting in a revised delegated authority scheme for the organisation, as well as initiating a new process whereby the Accounting Officer writes formal delegation letters to the Directors and Associate Directors. This strengthens the transparency of the assurance framework and provides clear lines of sight along the delegation chain.

Risk management is embedded at the AHRC through the requirement for SMT decision-making papers to include risk identification and associated mitigating actions. Business critical projects are managed using a simplified PRINCE2 methodology, including the identification, assessment and management of risk. AHRC Directors also provide a quarterly statement on internal control which details how the potential issues within each directorate have been identified and managed.

New risks identified in 2011-12 as threats to the AHRC achieving its objectives related to: optimising the AHRC's use of the new SSC grants system; the AHRC's engagement with commercial partners; AHRC management capacity during gaps between appointments and new cross-Council roles for senior staff; providing sufficient evidence of success with implementing the AHRC Delivery Plan; and the AHRC's management of the risk of financial loss.

Internal Audit

Key issues included in Audit Committee reports to Council in 2011-12 were related to the SSC and its consistent delivery of a service of acceptable quality, as well as lessons learned from the annual report and accounts process for 2010-11 and how these are to be applied in the preparation of the 2011-12 annual accounts.

The Director of the Research Councils' Internal Audit Service (RCIAS) is required to provide me with an opinion on the overall adequacy and effectiveness of the AHRC's framework of governance, risk management and control. This opinion is provided in accordance with Governance Internal Audit Standards and is informed through the work of internal audit completed during the year in line with the internal audit plan agreed by management and the Audit Committee. The internal audit plan covers three assurance components:

- AHRC core activities
- AHRC/RCUK SSC Shared assurance and
- cross-Council assurance.

Based on the work of internal audit, the Director of Internal Audit was able to provide substantial or full assurance that the systems of internal control in place at the AHRC for the year ended 31 March 2012 were operating effectively for the following core AHRC activities:

- Risk Management (Substantial Assurance)
- Postgraduate awards, Block Grant Partnership allocations (Full Assurance)
- Human Resources (Substantial Assurance)
- Communications and Communications Strategy (Substantial Assurance).

One notable area of good practice is that of Risk Management within AHRC, where the RCIAS concluded that risk management processes within AHRC are operating effectively; corporate risk registers show evidence of regular review and the process is well co-ordinated by the Risk Manager who ensures effective engagement with the Senior Management Team.

Material weaknesses were identified through internal audit's work on the RCUK SSC end-to-end shared business processes where responsibility for addressing identified weaknesses is shared between the RCUK SSC Ltd and the Research Councils. The Director of Internal Audit provided an overall opinion of limited assurance for this element of the internal audit plan. Over the coming year, the AHRC, collectively with the other Research Councils and RCUK SSC Ltd, will be pursuing resolution of the following material weaknesses:

- the need to improve exception reporting and Management Information (MI) related to duplicate payments. A full suite of MI tools will be available to AHRC by the end of June 2012, which should satisfy this requirement
- the need to introduce an annual independent Security IT health check, including penetration testing to assure system security. This recommendation will be included within the scope of work for 2012-13 and, if possible, explicitly identified as a service deliverable in any new contract negotiations
- the need to introduce exception reporting and processes for ensuring the integrity of user provisioning across end-to-end processes. User provisioning is currently being considered jointly by the HR and IT Practitioner Service Groups (PSGs), including the development of a system change proposal. A joint user provisioning plan will be in place by the end of June 2012
- the need to enable audit trail functionality for sensitive master data changes and review audit trail outputs to assure data integrity. Research Councils will continue to stress the need for action on the introduction during 2012-13 of thorough audit trails as part of the master data maintenance.

The AHRC has a comprehensive system for tracking implementation of audit recommendations, which is reviewed by Audit Committee.

Governance with the Shared Services Centre (SSC) – Client Services Group (CSG)

CSG represents all seven Research Councils in their relationship with the RCUK Shared Services Centre (SSC) as clients. The SSC project ended on 31 March 2011. Since that date, and therefore for the whole of the current financial year, the body responsible for co-ordinating the Councils' collective engagement with the SSC as clients has been the CSG. The CSG has taken responsibility for, inter alia, the negotiation of annual service charges and development funding; the development of business improvement activities in each of the main functional areas covered by SSC service delivery; and oversight of an end-to-end audit assurance programme. Formal approval of funding is however made by the Efficiency and Reform Group, advised by CSG. It is expected that during the course of 2012-13 other bodies from within BIS will start to receive a range of services from the SSC at which point the Research Councils will no longer be the sole clients and the continued role of the CSG and its ability to fulfil an assurance role will require further consideration.

Looking ahead, the expansion of the SSC's client base presents the Councils with both threats and opportunities. We expect that greater economies of scale will lead to reductions in unit costs and therefore service charges. However, significant risks have been identified that are likely to cause disruption to the current level of service over the coming year and potentially beyond as a diverse range of new clients come on board, and these risks are being actively managed. There is also some concern that a lack of immediate interest in grants services on the part of new customers may lead to a downgrading of its relative importance. (It is of course critical business for the Research Councils.) It will be important, therefore, that appropriate new governance arrangements are put in place to protect the Research Councils during this period of transition.

In respect of 2011-12, CSG have produced an Assurance Statement, which also identifies the key areas of concern identified by the RCIAS end-to-end audits. From January 2012, a joint SSC/CSG assurance report has been agreed and submitted to the BIS Assurance Board. The current level of assurance is amber in recognition of the large number of end-to-end process audits with only limited assurance at this stage. A programme of priority development work for the first quarter of 2012-13 has also been agreed and funded so that it is currently expected that it will be possible to achieve the necessary stabilisation in all functional areas by the end of June 2012.

Research Councils' UK Assurance Unit

The Research Councils' UK Assurance Unit is hosted by BBSRC and acts on behalf of the Research Councils by reviewing the regularity of expenditure on Research Council grants at all eligible Research Organisations. The programme typically involves around 15-20 visits per annum to the research-intensive organisations, supplemented by 15 desk-based reviews for the less research-intensive bodies. Assurance activities focus on the control environment and its effectiveness in ensuring compliance with the Research Councils' terms and conditions that accompany grant funding, with a further strand of work focusing on the scrutiny of the costing methodology used by research organisations, which for universities is the Transparent

Approach to Costing (TRAC). The programme is an important element of the risk management framework for the AHRC with an annual report produced for me, as the Accounting Officer, which reports on activities undertaken in the year as well as proposed activities for the following year. For 2011-12, 17 visits were undertaken along with 15 desk-based reviews. Where we have identified specific issues with universities an action plan is in place to ensure appropriate improvements are introduced. The work undertaken in 2011-12 and its findings provided me with a satisfactory level of assurance.

Review of Effectiveness

As Accounting Officer/Executive Officer, I have responsibility for conducting an annual review of the effectiveness of the system of the organisation's governance, risk management and internal control. This review is informed by the work of executive managers and internal auditors within the organisation who have responsibility for the development and maintenance of the governance structures, internal control framework, and comments made by the external auditors in their management letter and other reports. The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control.

AHRC Directors are required to submit quarterly statements on internal control detailing how risk within their directorate has been identified and managed. These statements are reviewed by the Risk Management Committee and I, as Accounting Officer, have reviewed them in preparing this statement.

The AHRC Audit Committee reviews the effectiveness of governance, internal control and risk management within the organisation and submits a regular report to Council highlighting any issues, which I have reviewed in preparing this statement.

The RCIAS submitted reports providing assurance in areas of risk management, business continuity and disaster recovery planning, and internal management during 2011-12.

I have been advised by the Council and Audit Committee on the implications of the result of the review of the effectiveness of the system of the Governance including internal control and risk management and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

I have considered the evidence provided with regards to the production of the Annual Governance Statement. The conclusion of the review is that the AHRC's overall governance and internal control structures are sound and ensure that public money is properly accounted for and used economically, efficiently and effectively.

Annual Report signed by



Professor Rick Ryland
Accounting Officer
13 June 2012

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

I certify that I have audited the financial statements of the Arts & Humanities Research Council for the year ended 31 March 2012 under the Higher Education Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective Responsibilities of the Council, Accounting Officer and Auditor

As explained more fully in the Statement of Council's & Chief Executive's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Higher Education Act 2004. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Arts & Humanities Research Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Arts & Humanities Research Council and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the Arts & Humanities Research Council's affairs as at 31 March 2012 and of its comprehensive net expenditure for the year then ended, and
- the financial statements have been properly prepared in accordance with the Higher Education Act 2004 and Secretary of State directions issued thereunder.

Opinion on Other Matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State's directions issued under the Higher Education Act 2004; and
- the information given in the Management Commentary part of the Annual Report of the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London
SW1W 9SP
18 June 2012

Statement of Comprehensive Net Expenditure

for the Year Ended 31 March 2012

	Notes	2011-12 £ 000	Restated 2010-11 £ 000
Expenditure			
Staff and Council Members' Costs	4	3,735	4,000
Research Awards	5	54,903	60,609
Postgraduate Awards	6	46,346	42,412
Depreciation	7, 11	141	121
Impairment	7, 13	112	51
Amortisation	7, 12	3	47
Other Expenditure	7	3,534	3,236
Total Expenditure		108,774	110,476
Income			
Operating Revenue	2, 9	(1,956)	(2,595)
Net Expenditure		106,818	107,881
Other Comprehensive Expenditure			
Revaluation Reserve	10	–	(128)
Total Comprehensive Expenditure for the Year Ended 31 March 2012		106,818	107,753

All operations are continuing.

The notes on pages 56–76 form part of these accounts.

Statement of Financial Position

as at 31 March 2012

	Notes	At 31 March 2012 £ 000	At 31 March 2011 £ 000
Non-Current Assets			
Property, Plant and Equipment	11	460	602
Intangible Assets	12	91	3
Investment in Joint Venture	13	637	749
Total Non-Current Assets		1,188	1,354
Current Assets			
Trade and Other Receivables	15	12,353	12,037
Cash and Cash Equivalents	16	3,777	802
Total Current Assets		16,130	12,839
Total Assets		17,318	14,193
Current Liabilities			
Trade and Other Payables	17	(8,293)	(5,950)
Provisions	18	(15)	(15)
Total Current Liabilities		(8,308)	(5,965)
Non-Current Assets plus Net Current Assets		(9,010)	8,228
Non-Current Liabilities			
Provisions	18	(150)	(163)
Other Payables	17	–	(166)
Total Non-Current Liabilities		(150)	(329)
Assets less Liabilities		8,860	7,899
Equity			
Income and Expenditure Reserve		8,860	7,899
Revaluation Reserve		–	–
Total Equity		8,860	7,899

The financial statements on pages 52–55 were approved by Council and signed on its behalf by:



Professor Rick Rylance
Accounting Officer
13 June 2012

The notes on pages 56–76 form part of these accounts.

Statement of Cash Flows

for the Year Ended 31 March 2012

	Notes	2011-12 £ 000	Restated 2010-11 £ 000
Cash Flows from Operating Activities			
Net Deficit		(106,818)	(107,753)
Adjustment for Depreciation Charge	11	141	121
Adjustment for Amortisation Charge	12	3	47
Adjustment for Impairment of Non-Current Asset	13	112	51
Adjustment for Loss on Disposal	8	–	15
Adjustment for Revaluation Reserve	10	–	(128)
Interest paid over to BIS	17	1	–
Increase in Trade & Other Receivables	15	(325)	(2,328)
Decrease in Provision	18	(3)	(1,187)
Increase in Trade & Other Payables	17	2,177	2,199
Net Cash Flows from Operating Activities		(104,712)	(108,963)
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	11	–	(441)
Purchase of Intangible Assets	12	(91)	–
Investment in Joint Venture	13	–	(720)
Interest Received	9	(1)	–
Proceeds from Sale of Investment Asset	11	–	720
Net Cash Flows from Investing Activities		(92)	(441)
Cash Flows from Financing Activities			
Grant-in-Aid received from BIS		106,729	109,000
Funding received from BIS (non-GIA)		1,050	–
Net Cash Flows from Financing Activities		107,779	109,000
Net (Decrease)/Increase in Cash and Cash Equivalents in the period	16	2,975	(404)
Cash and Cash Equivalents at the beginning of the period	16	802	1,206
Cash and Cash Equivalents at the end of the period	16	3,777	802

Statement of Changes in Taxpayers' Equity

for the Year Ended 31 March 2012

	Notes	Revaluation Reserve £ 000	Income & Expenditure Reserve £ 000	Total Reserves £ 000
Restated balance at 1 April 2010		128	6,652	6,780
Changes in Taxpayers' Equity 2010-11				
Net Deficit		–	(107,753)	(107,753)
Grant-in-Aid received from BIS for revenue expenditure		–	105,850	105,850
Grant-in-Aid received from BIS for capital expenditure		–	3,150	3,150
Financing received from HEFCE		–	–	–
Financing received from Other Funders		–	–	–
Release of Revaluation Reserve	10	(128)	–	(128)
Balance at 31 March 2011		–	7,899	7,899
Restated balance at 1 April 2011		–	7,899	7,899
Changes in Taxpayers' Equity 2011-12				
Net Deficit		–	(106,818)	(106,818)
Grant-in-Aid received from BIS for revenue expenditure		–	105,729	105,729
Grant-in-Aid received from BIS for capital expenditure		–	1,000	1,000
Funding received from BIS (Non-GIA)		–	1,050	1,050
Release of Revaluation Reserve	10	–	–	–
Balance at 31 March 2012		–	8,860	8,860

On 1 April 2005 the AHRC's AHEAD database was revalued to include staff costs incurred during the development of the software.

During 2010-11 the Revaluation Reserve was removed as AHEAD was considered to be at the end of its useful economic life, following the implementation of the new cross-Council grants system. This was released to the Statement of Comprehensive Net Expenditure.

At the end of each reporting period any surpluses or deficits deriving from the AHRC's normal course of business are debited or credited to the Income & Expenditure Reserve.

The notes on pages 56–76 form part of these accounts.

Notes to the Accounts

1. Statement Of Accounting Policies

a. Basis of Accounting and Accounting Convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and meet the accounting and disclosure requirements of the Companies Act 1985 and the accounting and financial reporting standards issued or adopted by the International Accounting Standards Board as interpreted for Government use by the Financial Reporting Manual (FRoM) and in so far as these requirements are appropriate. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the AHRC for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Council are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment and intangible assets, where material.

Going Concern

On 20 December 2010 David Willetts, Minister for Universities and Science, announced the AHRC's financial allocations for 2011-12 through to 2014-15 as part of the Comprehensive Spending Review (CSR). Programmes allocations were fixed for the CSR period but the Administration allocation was fixed only for 2011-12 and indicative for future years.

The AHRC received confirmation of its 2012-13 Administration allocation in March 2012 and has no reason to believe that future funding from BIS will not be forthcoming. Therefore the accounts are produced on a going-concern basis.

Adoption of Standards and Changes in Policy

These financial statements are presented in £ sterling and all values are rounded to the nearest thousand, except where indicated otherwise.

All International Financial Reporting Standards, Interpretations and Amendments to published standards, effective at 31 March 2012, have been adopted in these financial statements, taking into account the specific interpretations and adaptations included in the FRoM.

IAS 24 Related Party Transactions (effective for periods beginning on or after 1 January 2011) – The amendment provides an exemption from full disclosure of transactions for government-related entities. However, AHRC has chosen to disclose full information as in prior years.

IFRS 7 Financial Instruments: Disclosure (effective for periods beginning on or after 1 July 2011) – Detailed disclosures are required for financial assets transferred to another entity but not derecognised in their entirety and financial assets derecognised in their entirety but in which the reporting entity has involvement. AHRC does not have any transactions requiring disclosure.

IFRS 8 Segment Reporting (2011-12 FRoM amendment) – The application of IFRS 8 applies in full for all reporting entities of the FRoM. Entities should provide in their financial statements an analysis of the services for which a fee is charged, with a statement that the information is provided for fees and charges purpose, not for IFRS 8 purpose. This amendment however is not applicable for the AHRC's financial statements.

IAS 20 Accounting for Government Grants (2011-12 FRoM Amendment) – The interpretation of IAS 20 has been clarified, so that other than funding from BIS, which is included as financing, grants from government bodies are recognised as income unless there is an agency relationship.

Effective for Future Financial Years

The IASB and IFRIC issued certain standards and interpretations with an effective date after the date of these financial statements. Where these changes are relevant to AHRC's circumstances they are listed below and will be adopted at the effective date. They have not been adopted early and their adoption is not expected to have a material impact on AHRC's reported income or net assets in the period of adoption.

IAS 1 Presentation of Financial Statements (effective for periods beginning on or after 1 July 2012) – The amendments to IAS 1 revise the way other comprehensive income is presented, requiring separate subtotals for those elements which may be 'recycled' (eg cash-flow hedging, foreign currency translation), and those elements that will not.

IFRS 7 Financial instruments: Disclosures (effective for periods beginning on or after 1 January 2013) Amendment to the offsetting of financial assets and financial liabilities. The AHRC does not expect this change will impact the accounts or require any additional disclosures.

IFRS 9 Financial Instruments (effective for periods beginning on or after 1 January 2015) – IFRS 9 is a replacement for IAS 39 and introduced new requirements for the classification and measurement of financial assets. AHRC will undertake an assessment of the impact of IFRS 9 once the full requirements are known.

IFRS 11 Joint Arrangements/IFRS 12 Disclosure of Interest in Other Entities (effective for periods beginning on or after 1 January 2013) – IFRS 11 and 12 supercede IAS 31 Interests in Joint Ventures. IFRS 11 moves to a principles defined definition of joint arrangements based on rights and obligations. Proportional consolidation accounting for joint ventures will no longer be permitted. AHRC use the equity method when accounting for joint ventures.

IAS 19 Post Employment Benefits (effective for periods beginning on or after 1 January 2013) – The amendment to IAS 19 introduces a number of changes regarding recognition, presentation and the disclosures. It also modifies accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment.

b. Financing and Income

The FReM requires Non-Departmental Public Bodies to account for Grant-in-Aid as financing. In the AHRC's case this includes Grant-in-Aid from the Department for Business, Innovation and Skills.

Monies from other Research Councils for co-financing of various Grant programmes are recognised as income and charged to the Statement of Comprehensive Net Expenditure. Prior to the financial year 2011-12 this was treated as financing. The Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers Equity have all been restated as a result (see Note 2). This change has no effect on the Statement of Financial Position.

c. Grants Payable

As a research funding organisation, the AHRC's research expenditure is charged to the Statement of Comprehensive Net Expenditure when it is incurred.

The AHRC's policy is to accrue for the costs of work undertaken at Higher Education Institutions which remain unpaid by the AHRC at the end of the reporting period. Future commitments in respect of costs of work yet to be undertaken within approved cash limits at the end of the reporting period are disclosed in Note 21. Prepayments are also recognised when they occur.

The AHRC provides research funding in two main areas, these being Research Awards and Postgraduate Awards.

i. Research Awards

The purpose of these awards is to assist both individual academics and groups of researchers in universities and colleges in improving the depth and breadth of our knowledge of human culture, both past and present. The awards also aim to assist the broad-based development of research by ensuring that funds are allocated with regard to a balance of academic subjects, kinds of activity and projected outcomes.

The Research Awards programme is split into four strands; responsive mode, themed/directed, knowledge transfer and international engagement. Awards can last from one to five years.

ii. Postgraduate Awards

The purpose of these awards is to provide support for students to enable them to pursue courses of postgraduate study in the arts and humanities and support programmes of doctoral research that will make significant contributions to the advancement of knowledge and understanding.

Postgraduate awards typically last for between one and three years.

d. Property, Plant & Equipment (PPE)

Capital expenditure under PPE includes the purchase of IT and office equipment, and fixtures and fittings relating to the AHRC's offices to the value of £1,000 or more. Assets are held at cost less accumulated depreciation and any impairment.

Depreciation on property, plant and equipment is provided at rates calculated to write off the cost of each asset in equal instalments over its expected useful life, as follows:

— Fixtures, Fittings and Office Equipment	5 years
— IT Equipment	3-5 years
— Leasehold Fixtures and Fittings	Over the length of the lease

A full month's depreciation is charged in the month of acquisition and none in the month of disposal.

Depreciation is not charged on assets under construction until the asset is brought fully into use and transferred to the appropriate asset category. They are then depreciated at the same rate as the AHRC's other assets in that asset category.

e. Intangible Assets

Capital expenditure for intangible assets includes the purchase of software licences and the costs of software and website development to the value of £1,000 or more.

Amortisation of intangible assets is provided at rates calculated to write off the cost of each asset in equal instalments over its expected useful life, as follows:

— Internally developed website	2 years
— Internally developed software	3-5 years
— Software licences	Over the length of the licence

A full month's amortisation is charged in the month of acquisition and none in the month of disposal.

Notes to the Accounts

Amortisation is not charged on assets under construction until the asset is brought fully into use and transferred to the appropriate asset category. They are then amortised at the same rate as the AHRC's other assets in that asset category.

f. Impairment of Non-Current Assets

The AHRC has a relatively small asset base and at any point in time, during the course of normal business, there is unlikely to be a material difference between the historic and current cost values of the Council's non-current assets. This position is however kept under review. The carrying amounts of the AHRC's assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment; an asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in the Statement of Comprehensive Net Expenditure when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

g. Financial Instruments

Due to the non-trading nature of its activities and the way in which the AHRC is financed, the AHRC is not exposed to the degree of financial risk faced by non-public sector entities. Moreover, financial instruments play a much more limited role in creating or changing risk that would be typical of the listed companies to which IAS 32, 39 and IFRS 7 mainly apply. The AHRC has very limited powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the AHRC in undertaking its activities.

Trade receivables are not interest bearing and are carried at original invoice amount. Provision for impairment is established when there is objective evidence that the AHRC will not be able to collect all amounts due according to the original terms of the receivable. The amount of provision is the difference between the carrying amount and recoverable amount and is recognised in the Statement of Comprehensive Net Expenditure.

Trade and other payables are recognised in the period in which related money, goods or services are received or when a legally enforceable claim against the AHRC is established or when the corresponding assets or expenses are recognised.

h. Joint Ventures

Those investments that are held as Joint Ventures are accounted for under the equity method.

i. Key Judgements

The preparation of financial statements requires management to make estimates and assumptions. These affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, management evaluates its estimates and judgements. These estimates and judgements are based on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the obligation, and where the amount of the obligation can be reliably estimated (see Note 18).

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events (see Note 22).

j. Operating Leases

Rental costs under operating leases are charged to the Statement of Comprehensive Net Expenditure in equal instalments over the periods of the leases.

k. Foreign Currencies

Transactions in foreign currencies are translated at the rate ruling at the time of the transaction. All gains and losses arising from exchange differences are taken to the Statement of Comprehensive Net Expenditure.

l. Taxation

The AHRC is recognised by HM Revenue and Customs as a charity for tax purposes. Accordingly, the AHRC is exempt from taxation in respect of income or capital gains arising in the course of its charitable activities.

The AHRC receives no similar exemption in respect of Value Added Tax. As a result the major part of Value Added Tax paid by the AHRC is irrecoverable, since the provision of education is an 'exempt' activity for VAT purposes.

Expenditure and Non-Current Asset purchases are shown inclusive of irrecoverable VAT.

The AHRC is a member of a VAT Group along with the other Research Councils. By registering as a group there is a single VAT registration covering all of the members. All supplies made by or to group members are deemed to be made by or to the representative member. Supplies made between group members are disregarded for VAT. There is, therefore, no VAT payable on supplies made between group members, representing a saving in administration costs.

During 2011-12, RCUK Shared Services Centre Ltd was the representative member replacing the Science & Technology Facilities Council. An application to HM Customs and Excise for bodies corporate to be treated as a group, must appoint one of them as the representative member (VAT Act 1994 s. 43B(3)). Although all supplies made by or to any group member are deemed to be made by or to the representative member, all members of the group registration are jointly and severally liable for any VAT due (VAT Act 1994 s. 43(1)).

m. Pension Costs

Retirement benefits to employees of the Council are provided by the Research Councils' Pension Scheme (RCPS) and the Universities Superannuation Scheme (USS). All schemes are multi-employer defined benefit schemes, which are externally funded and contracted out of the State Earnings Related Pension Scheme. The expected costs of providing pensions are charged to the Statement of Comprehensive Net Expenditure so as to spread the cost over the service lives of employees in the schemes operated, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll. More details on pensions can be found in Note 4.

n. Employee Benefits

Employees are entitled to 28 days annual leave per year. The annual leave year for the AHRC runs from 1 November to 31 October. The cost of untaken employee leave at 31 March 2012 has been accrued for.

o. Early Departure Costs

The costs of early retirement or severance are charged to the Statement of Comprehensive Net Expenditure when the early departures are agreed. These costs are net of the lump sums recoverable from the pension schemes when the individual reaches normal retirement age.

p. Bank Interest

From 1 April 2005 the AHRC was required to pay over to the Department for Business, Innovation and Skills any bank interest received on its commercial bank accounts. A creditor is recognised to match the cash receipt until it is paid over.

q. Insurance

In line with Government policy, AHRC carries its own risks in respect of employment of staff, buildings, equipment etc, except where there exists a statutory requirement to insure or where commercial insurance represents better value for money. Insurance premiums are charged to the Statement of Comprehensive Net Expenditure.

r. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank and in hand.

Notes to the Accounts

2. IAS 20 Accounting for Government Grants (2011-12 FReM Amendment)

The clarification of the interpretation of IAS 20, that grants from government bodies, other than Grant-in-Aid, are recognised as income has resulted in a restatement of the Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity.

This change has no effect on the Statement of Financial Position.

Reconciliation of Statement of Comprehensive Net Expenditure as at 31 March 2011

	Original £ 000	FReM Amendment IAS 20 £ 000	Restated £ 000
Expenditure			
Staff and Council Members' Costs	4,000	–	4,000
Research Awards	60,609	–	60,609
Postgraduate Awards	42,412	–	42,412
Depreciation	121	–	121
Impairment	51	–	51
Amortisation	47	–	47
Other Expenditure	3,236	–	3,236
Total Expenditure	110,476	–	110,476
Income			
Operating Revenue	(256)	(2,339)	(2,595)
Net Expenditure	110,220	(2,339)	107,881
Other Comprehensive Expenditure			
Revaluation Reserve	(128)	–	(128)
Total Comprehensive Expenditure for the year ended 31 March 2011	110,092	(2,339)	107,753

Reconciliation of Statement of Comprehensive Net Expenditure as at 31 March 2010

	Original £ 000	FReM Amendment IAS 20 £ 000	Restated £ 000
Expenditure			
Staff and Council Members' Costs	4,609	–	4,609
Research Awards	58,463	–	58,463
Postgraduate Awards	40,593	–	40,593
Museums and Galleries Award	3,439	–	3,439
Depreciation	56	–	56
Impairment	295	–	295
Amortisation	78	–	78
Other Expenditure	4,072	–	4,072
Total Expenditure	111,605	–	111,605
Income			
Operating Revenue	(368)	(5,256)	(5,624)
Net Expenditure	111,237	(5,256)	105,981
Other Comprehensive Expenditure			
Revaluation Reserve	–	–	–
Total Comprehensive Expenditure for the year ended 31 March 2010	111,237	(5,256)	105,981

Reconciliation of Statement of Cash flows as at 31 March 2011

	Original £ 000	FReM Amendment IAS 20 £ 000	Restated £ 000
Cash Flows from Operating Activities			
Net Deficit	(110,092)	2,339	(107,753)
Adjustment for Depreciation Charge	121	–	121
Adjustment for Amortisation Charge	47	–	47
Adjustment for Impairment of Non-Current Asset	51	–	51
Adjustment for Loss on Disposal	15	–	15
Adjustment for Revaluation Reserve	(128)	–	(128)
Interest paid over to BIS	–	–	–
Increase in Trade & Other Receivables	(2,328)	–	(2,328)
Decrease in Provisions	(1,187)	–	(1,187)
Increase in Trade & Other Payables	2,199	–	2,199
Net Cash Flows from Operating Activities	(111,302)	2,339	(108,963)
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	(441)	–	(441)
Purchase of Intangible Assets	–	–	–
Investment in Joint Venture	(720)	–	(720)
Interest Received	–	–	–
Proceeds from Sale of Investment Asset	720	–	720
Net Cash Flows from Investing Activities	(441)	–	(441)
Cash Flows from Financing Activities			
Grant-in-Aid received from BIS	109,000	–	109,000
Financing received from HEFCE	–	–	–
Financing received from Other Funders	2,339	(2,339)	–
Net Cash Flows from Financing Activities	111,339	(2,339)	109,000
Net (Decrease)/Increase in Cash and Cash Equivalents in the period	(404)	–	(404)
Cash and Cash Equivalents at the beginning of the period	1,206	–	1,206
Cash and Cash Equivalents at the end of the period	802	–	802

Notes to the Accounts

Reconciliation of Statement of Cash flows as at 31 March 2010

	Original £ 000	FReM Amendment IAS 20 £ 000	Restated £ 000
Cash Flows from Operating Activities			
Net Deficit	(111,237)	5,256	(105,981)
Adjustment for Depreciation Charge	56	–	56
Adjustment for Amortisation Charge	78	–	78
Adjustment for Impairment of Non-Current Asset	295	–	295
Adjustment for Loss on Disposal	–	–	–
Adjustment for Revaluation Reserve	–	–	–
Interest paid over to BIS	(6)	–	(6)
Increase in Trade & Other Receivables	(279)	–	(279)
Increase in Provisions	1,310	–	1,310
Increase in Trade & Other Payables	256	–	256
Net Cash Flows from Operating Activities	(109,527)	5,256	(104,271)
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	(524)	–	(524)
Purchase of Intangible Assets	(8)	–	(8)
Investment in Joint Venture	(28)	–	(28)
Interest Received	–	–	–
Proceeds from Sale of Investment Asset	–	–	–
Net Cash Flows from Investing Activities	(560)	–	(560)
Cash Flows from Financing Activities			
Grant-in-Aid received from BIS	105,097	–	105,097
Financing received from HEFCE	3,457	(3,457)	–
Financing received from Other Funders	1,799	(1,799)	–
Net Cash Flows from Financing Activities	110,353	(5,256)	105,097
Net (Decrease)/Increase in Cash and Cash Equivalents in the period	266	–	266
Cash and Cash Equivalents at the beginning of the period	940	–	940
Cash and Cash Equivalents at the end of the period	1,206	–	1,206

Reconciliation of Statement of Changes in Taxpayers' Equity as at 31 March 2011

	Original £ 000	Amendment IAS 20 £ 000	FReM £ 000	Restated £ 000
Balance at 1 April 2010	6,780		–	6,780
Changes in Taxpayers' Equity 2010-11				
Net Deficit	(110,092)		2,339	(107,753)
Grant-in-Aid received from BIS for revenue expenditure	105,850		–	105,850
Grant-in-Aid received from BIS for capital expenditure	3,150		–	3,150
Financing received from HEFCE	–		–	–
Financing received from Other Funders	2,339		(2,339)	–
Release of Revaluation Reserve	(128)		–	(128)
Balance at 31 March 2011	7,899		–	7,899

Reconciliation of Statement of Changes in Taxpayers' Equity as at 31 March 2010

	Original £ 000	Amendment IAS 20 £ 000	FReM £ 000	Restated £ 000
Balance at 1 April 2010	7,664		–	7,664
Changes in Taxpayers' Equity 2009-10				
Net Deficit	(111,237)		5,256	(105,981)
Grant-in-Aid received from BIS for revenue expenditure	102,251		–	102,251
Grant-in-Aid received from BIS for capital expenditure	2,846		–	2,846
Financing received from HEFCE	3,457		(3,457)	–
Financing received from Other Funders	1,799		(1,799)	–
Release of Revaluation Reserve	–		–	–
Balance at 31 March 2010	6,780		–	6,780

Notes to the Accounts

3. Statement of Operating Costs by Operating Segment

The AHRC's primary operating segments are Research Awards and Postgraduate Awards. Information concerning these segments is disclosed in Note 1 and expenditure is detailed in the Statement of Comprehensive Net Expenditure and broken down further in Notes 5, 6 and 7. The expenditure of these operating segments is viewed regularly by the AHRC's Chief Operating Decision Makers (CODMs) to inform decision-making processes.

It is not possible to identify how the AHRC's assets and liabilities are shared across these operating segments in management information used by the Chief Executive and Senior Management and this information has not been disclosed.

	Research Awards £ 000	Postgraduate Awards £ 000	Other £ 000	Total 2011-12 £ 000
Staff and Council Members' Costs	645	544	2,546	3,735
Programme Costs	54,903	46,346	–	101,249
Depreciation	–	–	141	141
Impairment	–	–	112	112
Amortisation	–	–	3	3
Release of Revaluation Reserve	–	–	–	–
Other Expenditure	166	140	3,228	3,534
Operating Revenue	(1,886)	–	(70)	(1,956)
	53,828	47,030	5,960	106,818

	Research Awards £ 000	Postgraduate Awards £ 000	Other £ 000	Total 2010-11 £ 000
Staff and Council Members' Costs	839	587	2,574	4,000
Programme Costs	60,609	42,412	–	103,021
Depreciation	–	–	121	121
Impairment	–	–	51	51
Amortisation	–	–	47	47
Release of Revaluation Reserve	–	–	(128)	(128)
Other Expenditure	126	88	3,022	3,236
Operating Revenue	(2,339)	–	(256)	(2,595)
	59,235	43,087	5,431	107,753

4. Staff Numbers and Related Costs

a. Staff Costs comprise:

	Permanently Employed Staff £ 000	Temporary Staff £ 000	Council Members £ 000	Total 2011-12 £ 000	Total 2010-11 £ 000
Salaries and Wages	2,627	148	122	2,897	3,149
Social Security Costs	188	–	2	190	207
Superannuation – Defined Benefit	583	–	–	583	542
Seconded Staff Costs	65	–	–	65	102
Sub Total	3,463	148	124	3,735	4,000
Less recoveries in respect of Outward Secondments	–	–	–	–	–
	3,463	148	124	3,735	4,000

Temporary staff consists of payments made to Employment Agencies during 2011-12. Staff provided by Employment Agencies are not included in the temporary staff numbers within Note 4c. Also during 2011-12 two Council members received additional payments for their roles as members of the AHRC Advisory Board.

b. Pension Schemes

Staff members of the AHRC belong to one of two multi-employer defined benefit pension schemes. The assets of all schemes are held separately from those of the AHRC in independently administered funds. It is not possible to identify the AHRC's share of the underlying assets and liabilities of any of the pension schemes and therefore contributions to the scheme are accounted for as if they were defined contribution schemes. The pension cost charge represents contributions payable by the AHRC to the funds. Amounts paid to the schemes during the year were as follows: RCPS – £555,208 (2010-11 £509,423), Partnership Pension Providers – £7,499 (2010-11 £8,461), and USS – £23,117 (2010-11 £30,540).

i. The Research Councils' Pension Scheme (RCPS)

Since 1 April 2009 AHRC has offered membership to the RCPS to all new staff. The RCPS is in all respects 'by-analogy' with the Principal Civil Service Pension Scheme, except that the employer's contribution is determined separately on the recommendation of the Government Actuary's Department (GAD).

It is a notionally funded, contributory, defined benefit scheme, and is administered by the Research Councils' Joint Superannuation Services. The scheme's accounts are prepared by the Biotechnology and Biological Sciences Research Council (BBSRC) on behalf of the Chief Executive of BBSRC as Accounting Officer for the RCPS, and contain the further disclosure information required under IAS 19 as interpreted by the Financial Reporting Manual for use in the public sector.

There are two open schemes run by RCPS and new staff have the option of joining either scheme:

- Nuvos Pension Scheme – a career average, contributory pension scheme. Employee contributions in 2011-12 were 3.5%, employer contributions were 26%.
- Partnership Pension Account – a stakeholder pension with an employer contribution. Employers' contributions were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to a maximum of an additional 3% of pensionable pay. A further employer contribution of 0.8% of pensionable pay is made to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that 'the period between formal actuarial valuations shall be four years, with approximate assessments in intervening years'.

The last formal actuarial valuation undertaken for the RCPS as at 31 March 2006 was completed in 2008-09. Consequently, a formal actuarial valuation as at 31 March 2010 was initiated but was not expected to be completed at 31 March 2011.

Subsequently however, formal actuarial valuations for unfunded public service pension schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions and while future scheme terms are developed as part of the reforms to public service pension provision. The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates, and these are currently being determined under the new scheme design.

ii. The Universities Superannuation Scheme (USS)

From 1 October 2011 the USS pension scheme has two sections: Final Salary Section – a final salary pension scheme, which is now closed to new entrants. Employee contributions with effect from 1 October 2011 are 7.5% (6.35% previously), employer contributions are 16%.

Career Revalued Benefits Section – a career average pension scheme available for new recruits who have not previously been members of USS from 1 October 2011. Employee contributions are 6.5%, employer contributions are 16%.

An actuarial report on the USS was carried out as at 31 March 2010. A brief summary of the main results of the valuation is as follows:

- The estimated coverage of the Scheme's technical provisions under the Statutory Funding Objective has deteriorated since the 2007-08 actuarial valuation. The deficit at 31 March 2010 is estimated to be £3,013.1 million, representing a funding level of 91%. This compares with a surplus of £707.3 million and a funding level of 103% at the previous actuarial valuation.
- Based on the Trustee's historic gilt funding basis the current deficit is £17,390.6 million at 31 March 2010 representing a funding level of 63%. This compares with a deficit of £11,776.6 million and a funding level of 71% at the previous actuarial valuation.
- If the future service contribution rate was recalculated at 31 March 2010 using the assumptions consistent with those set out in the Statement of Funding Principles, it would have increased to give a net Employer contribution rate of 16.5% of Pensionable Salaries. This is compared with 16% at the previous actuarial valuation.
- If the technical provisions deficit was to be rectified by contributions alone then in order to correct a deficit of £3,013.1 million in, say, 30 years would require annual contributions of 2.3% per annum of Pensionable Salaries (assuming ongoing progression of pensionable payroll in line with the funding assumptions). This is in addition to the future service contribution rate.

Notes to the Accounts

- The calculations contained in this report are approximate. The statement of funding principles agreed as part of the 2008 valuation does not require the Employer contribution to be reviewed at each actuarial report. The information provided in this paper is therefore for information only although, despite the deterioration over the two-year period from 2008, I can confirm that I am content with waiting until the 2011 valuation before reviewing or amending the current contribution rates. The Trustee should not make decisions relating to the funding of the Scheme without further advice from the Scheme Actuary.
- None of the figures or projections in this actuarial report make any allowance for the changes to benefits and contributions which may come about from April 2011.

c. Staff Numbers The average number of staff employed during the year was 71 full time equivalents

	Permanently Employed Staff No.	Temporary Staff No. ¹	Total 2011-12 No.	Total 2010-11 No.
Senior Management	3	2	5	6
Managerial	34	3	37	34
Administrative Support	19	8	27	29
Seconded Inward Staff	–	2	2	2
Total	56	15	71	71

¹ AHRC on fixed-term contracts.

d. Civil Service Compensation Scheme Analysis

Value	Compulsory Redundancies		Other Departures		Total Departures	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<£10,000	–	8	–	–	–	8
£10,000 - £24,999	–	8	–	–	–	8
£25,000 - £49,999	1	5	–	–	1	5
£50,000 - £99,999	–	2	–	–	–	2
£100,000 - £149,999*	–	2	–	–	–	2
£150,000 - £200,000	–	–	–	–	–	–
Total number of exit packages	1	25	–	–	1	25
Total resource cost of exit packages (£000)	36	722	–	–	36	722

*These payments include early retirement provisions for two staff members.

All payments were made in accordance with contractual terms – in all cases payments were made in accordance with the Research Council Pension Compensation Scheme arrangements, which were analogous with the Civil Service Pension Compensation Scheme.

In November 2011 AHRC announced and implemented a new structure, which included a reduction in Directorates; this resulted in one departure from the organisation.

All departures in 2010-11 relate to the AHRC office move from Bristol to Polaris House, Swindon or the transfer of services to the Research Councils' Shared Services Centre (SSC Ltd). A provision was made in the 2009-10 accounts for these costs with the exception of early retirement costs for two individuals, which were provided for in 2010-11 (see Note 18). Redundancies related to the move to the SSC Ltd were jointly provided for by all the Research Councils under a funding allocation model, which identified the proportion of SSC Ltd project costs that each Council would incur.

5. Research Awards

	2011-12 £ 000	2010-11 £ 000
Research Grants	30,014	30,458
Themed/Directed Research	16,138	17,557
Knowledge Transfer	3,984	3,087
International Engagement	1,986	3,036
Fellowships in the Creative & Performing Arts	1,339	2,047
Capital Grants	1,184	2,685
RCUK Operations	125	245
Cross-Council Responsive Mode Awards	112	200
Research Leave	21	1,043
Resource Enhancement	–	251
	54,903	60,609

Payments were made to various bodies within the public sector; public corporations, higher education institutions and other government agencies.

6. Postgraduate Awards

	2011-12 £ 000	2010-11 £ 000
Block Grant Partnerships	32,994	22,403
Non-BGP Competition	6,425	15,224
Collaborative Doctoral Awards	4,697	4,127
Skills Development & Collaborative Research Training	1,061	153
Language-Based Area Studies	676	–
Other Funding Initiatives	176	337
International Mobility	177	–
Research, Careers & Diversity Unit	140	168
	46,346	42,412

Payments were made to various bodies within the public sector, public corporations, higher education institutions and other government agencies.

Notes to the Accounts

7. Other Expenditure

	2011-12 £ 000	2010-11 £ 000
Operating Expenses	2,612	2,368
Peer Review Costs	197	221
Staff Expenses	193	168
Professional & Consultancy Fees	159	157
IT Costs	151	179
Other Accommodation Costs	171	15
Auditors' Remuneration	51	53
Accommodation Operating Lease Rentals	–	75
Non-Cash Items:		
– Depreciation	141	121
– Amortisation	3	47
– Impairment	112	51
	3,790	3,455

Other Expenditure has increased by £335k between 2011-12 and 2010-11. The AHRC started contributing to the accommodation costs of Polaris House in 2011-12 after benefiting from a rent-free period in the year of the office move. Peer Review costs have reduced as a result of more panel meetings being held in Swindon resulting in lower meeting costs. The SSC Service charge included in Operating Expenses is £1.3m, with a further £0.4m of costs relating to SSC project-related costs.

8. Losses

There have been no losses during 2011-12.

9. Revenue

	2011-12 £ 000	2010-11 £ 000
Financing Received from other funders	(1,886)	(2,339)
JPI Cultural Heritage	(33)	–
NET Heritage	(32)	(71)
Sundry Revenue	(6)	(197)
Humanities in the European Research Area	1	12
	(1,956)	(2,595)

Financing received from other funders consists of income for co-funded grants (refer to Note 1b). This includes the Science and Heritage programme with EPSRC and the Religion and Society programme with ESRC.

The AHRC is currently participating in the JPI Cultural Heritage programme along with other partners in Europe. This followed on from the NET-Heritage programme, which ended in September 2011. Funding is received from the lead partners, the Italian Ministry of Cultural Heritage and Activities. These monies are received in respect of exchange transactions and are therefore not recognised as financing.

During the year AHRC received £1k of bank interest.

10. Revaluation Reserve

	2011-12 £ 000	2010-11 £ 000
At 1 April 2011	–	128
Release to Statement of Comprehensive Net Expenditure	–	(128)
At 31 March 2012	–	–

During 2010-11 the Revaluation Reserve was removed as AHEAD was considered to be at the end of its useful economic life, following the implementation of the new cross-Council grants system. This was released to the Statement of Comprehensive Net Expenditure.

11. Plant, Property & Equipment

	Leasehold Fixtures and Fittings £ 000	IT Equipment £ 000	Fixtures, Fittings and Office Equipment £ 000	Asset Under Construction (1) £ 000	Asset Under Construction (2) £ 000	Total £ 000
Cost or Valuation						
At 1 April 2011	–	114	707	–	–	821
Additions	–	–	–	–	–	–
Disposal	–	(46)	–	–	–	(46)
Transfer	–	–	–	–	–	–
At 31 March 2012	–	68	707	–	–	775
Depreciation						
At 1 April 2011	–	113	106	–	–	219
Charge for year	–	–	141	–	–	141
Disposal	–	(45)	–	–	–	(45)
Loss on Disposal	–	–	–	–	–	–
At 31 March 2012	–	68	247	–	–	315
Net Book Value						
At 31 March 2012	–	–	460	–	–	460
Net Book Value						
At 31 March 2011	–	1	601	–	–	602
	Leasehold Fixtures and Fittings £ 000	IT Equipment £ 000	Fixtures, Fittings and Office Equipment £ 000	Asset Under Construction (1) £ 000	Asset Under Construction (2) £ 000	Total £ 000
Cost or Valuation						
At 1 April 2010	242	295	228	633	352	1,750
Additions	–	–	354	87	–	441
Disposal	(242)	(181)	(227)	(720)	–	(1,370)
Transfer	–	–	352	–	(352)	–
At 31 March 2011	–	114	707	–	–	821
Depreciation						
At 1 April 2010	233	289	213	–	–	735
Charge for year	9	4	108	–	–	121
Disposal	(242)	(180)	(230)	–	–	(652)
Loss on Disposal	–	–	15	–	–	15
At 31 March 2011	–	113	106	–	–	219
Net Book Value						
At 31 March 2011	–	1	601	–	–	602
Net Book Value						
At 31 March 2010	9	6	15	633	352	1,015

There has been minimal activity for Property Plant & Equipment in 2011-12.

Asset Under Construction (1) represents the AHRC's agreed share (1.33%) of the capital costs to date of the Research Councils' UK Shared Services Centre. In March 2011, each of the seven Research Councils sold their individual assets in the course of construction, which totalled £54m to RCUK Shared Services Centre Limited (RCUK SSC Ltd) in exchange for 'B' shares to the same value in RCUK SSC Ltd. AHRC's agreed share (1.33%) of the capital costs of the project to the date of sale was £0.72m.

Asset Under Construction (2) represents the capital expenditure on work to prepare the office accommodation in Polaris House, Swindon. On completion of the office relocation, the asset was transferred from under construction to in use.

In 2010-11 the AHRC moved from its leasehold premises in Bristol to Polaris House in Swindon. As a result of this the Leasehold Fixtures and Fittings category is no longer used. Assets are not valued using indices as they are not considered material.

Notes to the Accounts

12. Intangible Assets

Intangible Assets comprise the AHRC's Website and internally developed AHEAD Grants Database, Software Licences.

	AHRC Website £ 000	AHEAD Database £ 000	Software Licences £ 000	Assets Under Construction (1) £ 000	Assets Under Construction (2) £ 000	Total £ 000
Cost or Valuation						
At 1 April 2011	29	320	9	–	–	358
Additions	–	–	–	43	48	91
Disposal	–	–	–	–	–	–
At 31 March 2012	29	320	9	43	48	449
Amortisation						
At 1 April 2011	27	320	8	–	–	355
Charge for year	2	–	1	–	–	3
Disposal	–	–	–	–	–	–
At 31 March 2012	29	320	9	–	–	358
Net Book Value						
At 31 March 2012	–	–	–	43	48	91
Net Book Value						
At 31 March 2011	1	–	2	–	–	3

	AHRC Website £ 000	AHEAD Database £ 000	Software Licences £ 000	Total £ 000
Cost or Valuation				
At 1 April 2010	29	320	9	358
Additions	–	–	–	–
Disposal	–	–	–	–
At 31 March 2011	29	320	9	358
Amortisation				
At 1 April 2010	14	288	6	308
Charge for year	14	32	1	47
Disposal	–	–	–	–
At 31 March 2011	28	320	7	355
Net Book Value				
At 31 March 2011	1	–	2	3
Net Book Value				
At 31 March 2010	15	32	3	50

Intangible Assets comprise the AHRC's Website, Software Licences and internally developed AHEAD Grants Database. The latter is due to be disposed of in 2012-13.

Asset Under Construction (1) represents the AHRC's capital expenditure on the Website Accessibility Project.

Asset Under Construction (2) represents the capital costs associated with the EDRMS Project (Electronic Data Records Managements System).

Completion of both projects is anticipated early in 2012-13. Once the assets are brought into use they will be transferred to the appropriate asset category.

13. Investment in Joint Venture

SSC Investment	2011-12 £ 000	2010-11 £ 000
Cost		
At 1 April 2011	825	105
Additions	–	720
At 31 March 2012	825	825
Impairment		
At 1 April 2011	76	25
Impairment	112	51
At 31 March 2012	188	76
Net Book Value		
At 1 April 2011	749	80
At 31 March 2012	637	749

The AHRC's share ownership in RCUK Shared Services Centre Limited (SSC) is one 'A' ordinary share of £1 and 824,820 'B' shares of £1 each. The 'A' shares carry a voting right per share. Each of the seven Research Councils are joint investors in the project and each Council's individual share is 14%. The 'B' shares convey ownership rights to the holder, including any distributions or proceeds from sale of the SSC. The AHRC's share ownership is 1.33%.

The Research Councils entered into a supplementary shareholders' agreement with the Secretary of State for Business, Innovation and Skills on 4 October 2011 to allot the Secretary of State for Business, Innovation and Skills one 'A' ordinary share in the capital of RCUK SSC Ltd. This supplementary agreement confirmed the covenants of the original shareholders' agreement, signed 8 August 2007, remain extant. On that basis, AHRC retains the same level of investment in RCUK SSC Ltd at 1.33% of the company's 'B' Shares.

The operating results, assets and liabilities of SSC Ltd are reflected in the Group's Financial Statements in accordance with IAS 31.

14. Financial Instruments

The AHRC is committed to pay a total of €5,870,198 towards the Humanities in the European Research Area Joint Research Project from 2012-13 and so could potentially be exposed to currency exchange risk in the future. This is not a financial instrument as this commitment is not a financial liability on the AHRC's Statement of Financial Position at 31 March 2012. Policy Note 1g explains how AHRC is not exposed to financial risk to any significant degree. As at 31 March 2012 there is no material difference between the fair value and the book value of financial assets and liabilities.

15. Trade Receivables and Other Current Assets

a. Current Receivables	31 March 2012 £ 000	31 March 2011 £ 000
i. Analysis by type		
Trade receivables	933	375
Other receivables	4	421
Prepayments and accrued income	11,416	11,241
	12,353	12,037
	31 March 2012 £ 000	31 March 2011 £ 000
ii. Intra-Government Balances		
Balances with other central government bodies	873	671
Balances with public corporations and trading funds	–	–
Balances with local authorities	–	–
	873	671
Balances with bodies external to government	11,480	11,366
	12,353	12,037

Notes to the Accounts

16. Cash and Cash Equivalents

	31 March 2012 £ 000	31 March 2011 £ 000
Balance at 1 April	802	1,206
Net change in cash and cash equivalent balances	2,975	(404)
Balance at 31 March	3,777	802
The balances at 31 March were held at:		
Government Banking Service accounts	3,690	229
Commercial accounts and cash in hand	87	573
	3,777	802

17. Trade Payables and Other Current Liabilities

a. Current Liabilities

	31 March 2012 £ 000	31 March 2011 £ 000
i. Analysis by type		
VAT	–	–
Trade payables	(1,620)	(778)
Other payables	(226)	(165)
Accruals and deferred income	(6,446)	(5,007)
	(8,292)	(5,950)
BIS Creditor – Bank Interest	(1)	–
	(8,293)	(5,950)

	31 March 2012 £ 000	31 March 2011 £ 000
ii. Intra-Government Balances		
Balances with other central government bodies	(1,470)	(1,827)
Balances with local authorities	–	–
	(1,470)	(1,827)
Balances with bodies external to government	(6,823)	(4,123)
	(8,293)	(5,950)

b. Non-Current Liabilities

	31 March 2012 £ 000	31 March 2011 £ 000
i. Analysis by type		
Accruals and deferred income	–	(166)
	–	(166)

The Research Councils agreed to meet the costs of pay modernisation in universities insofar as it affects grants arising from applications submitted after 10 March 2005. The balance was released in 2011-12 as all claims relating to grants from this date should have been received by March 2012.

18. Provisions for Liabilities and Charges

2011-12	Early Retirement Provision £ 000
At April 2011	(178)
Payment/utilisation of provision	16
Increase in provision	(3)
Reduction in provision	
At 31 March 2012	(165)

Early Retirement

	31 March 2012 £ 000	31 March 2011 £ 000
Not later than one year	(15)	(15)
Later than one year and not later than five years	(55)	(56)
Later than five years	(95)	(107)
	(165)	(178)

The AHRC relocated its offices from Bristol to Polaris House, Swindon in June 2010. As a result of the relocation of offices and internal restructuring an early retirement provision has been recognised in these financial statements.

19. Capital Commitments

As at 31 March 2012 AHRC's only capital commitment relates to the redesign of its website.

	31 March 2012 £ 000	31 March 2011 £ 000
AHRC Website	22	–

20. Commitments under Leases

AHRC has no commitments under leases.

Notes to the Accounts

21. Other Financial Commitments

	31 March 2012	31 March 2011
	£ 000	£ 000
Research Awards		
Not later than one year	45,405	42,690
Later than one year and not later than five years	50,235	37,793
Later than five years	192	–
	95,832	80,483

	31 March 2012	31 March 2011
	£ 000	£ 000
Postgraduate Awards		
Not later than one year	36,226	42,960
Later than one year and not later than five years	32,496	100,474
Later than five years	–	–
	68,722	143,434

22. Contingent Liabilities Disclosed Under IAS 37

The AHRC has a contingent liability concerning the USS Pension Scheme. The AHRC offers staff the ability to continue contributing to this scheme, but it is currently underfunded and should the AHRC have no USS Pension Scheme members in its employment, the AHRC is liable to pay its share of the deficit.

Professor Rick Rylance, the AHRC's Chief Executive and Professor Mark Llewellyn, the Director of Research, are currently members of the USS Pension Scheme. At 31 March 2012 there is an estimated contingent liability of £128,000, which will crystallise if both leave the AHRC.

23. Related Party

The Arts & Humanities Research Council (AHRC) is a Non-Departmental Public Body (NDPB) sponsored by the Department for Business, Innovation and Skills (BIS).

BIS is regarded as a related party. During the year, the AHRC has had various material transactions with BIS and with other entities for which BIS is regarded as the parent department, as follows: Biotechnology & Biological Sciences Research Council; Economic & Social Research Council; Engineering & Physical Sciences Research Council; Medical Research Council; Natural Environment Research Council; Science & Technology Facilities Council; and the Technology Strategy Board. In addition, the AHRC has had various material transactions with the Research Councils' Shared Services Centre and with another Central Government body, the Higher Education Funding Council for England and the National Endowment for Science, Technology and the Arts.

These Accounts provide disclosure of all material financial transactions with senior executive staff and all Council members. In addition disclosure is provided in respect of members of the AHRC's peer review panels, which make recommendations on research and postgraduate awards.

During the year, the AHRC did not enter into any transactions with any senior executive staff. However, it did enter into a number of material transactions with Institutions employing Council/Advisory Board/Panel members who had a direct interest in the award concerned (**Table A opposite**). None of the Council/Advisory Board/Panel members were involved in the recommendation of awards to the Institution where they are a senior member of staff or member of the Governing body.

A grant was awarded to Professor Mark Llewellyn, which started in April 2011 (**see Table A**). This funding was granted prior to his appointment as AHRC's Director of Research.

Information is disclosed on material financial transactions with any related party of these senior staff or Council members. Advisory Board members have been included to recognise their influence on the AHRC in respect of strategy development and prioritisation (**Table B over**).

In addition, the AHRC made a number of payments in respect of AHRC funded awards to Institutions where Council members are also members of staff or members of Governing bodies. None of the disclosed Council members were involved in the recommendation of awards to the Institution where they are a member of staff or member of the Governing body (**Table C over**). The figures stated are for Research and awards.

Table A

Council/Advisory Board/Panel Members	Institution	No. of Awards	Amount £ 000
Dr Robin Aizlewood	University College London	1	311
Professor Jonathan Bate	University of Warwick	1	298
Professor Helen Beebee	University of Birmingham	1	24
Professor M Braddick	University of Sheffield	1	160
Professor Ramsay Burt	De Montfort University	1	93
Professor Thomas Clancy	University of Glasgow	1	726
Professor Paul Crawford	University of Nottingham	1	42
Professor Catherine Davies	University of Nottingham	1	94
Professor Simon Emmerson	De Montfort University	1	300
Professor Mark Everist	University of Southampton	1	598
Professor Gavin Flood	University of Oxford	1	45
Professor Michael Fulford	University of Reading	1	478
Professor David Gauntlett	University of Westminster	1	365
Professor Robert Gordon	Goldsmiths, University of London	1	403
Professor Faye Hammill	University of Strathclyde	1	218
Dr Erica Camilla Diana Hunter	School of Oriental & African Studies	1	555
Professor Rhys Jones	Aberystwyth University	1	24
Professor Mark Llewellyn	University of Strathclyde	1	10
Dr Peter Merriman	Aberystwyth University	1	25
Professor Neville Morley	University of Bristol	1	513
Dr Fabrizio Nevola	University of Bath	1	80
Professor Katherine Newey	University of Birmingham	1	369
Mr Andrew Newman	Newcastle University	1	20
Professor Andrea Noble	Durham University	1	35
Professor William Ormrod	University of York	1	785
Professor Peter Osborne	Kingston University	1	160
Professor Linda Paterson	University of Warwick	1	401
Dr Joy Porter	Swansea University	1	51
Ms Clare Reddington	Pervasive Media Studio	4	1,207
Ms Clare Reddington	Watershed	3	4,279
Professor John Rink	University of Cambridge	1	1,714
Dr Kerrie Schaefer	University of Exeter	1	33
Professor Phillip Schofield	Aberystwyth University	1	492
Dr Johan Siebers	University of Central Lancashire	1	80
Mr David Watkinson	Cardiff University	1	418
Professor Paul Weller	University of Derby	1	400
Professor Michael Wilson	University College Falmouth	1	335

Notes to the Accounts

Table B

Council/Advisory Board Members	Related Party	No. of Awards	Amount £ 000
Professor E Douglas-Cowie	Son	1	17
Professor Rick Rylance	Partner	3	113

Table C

Council Members	Institution	Aggregate Amount £ 000
Professor John Butt	University of Glasgow	2,801
Dame Lynne Brindley	British Library	459
Professor Ellen Douglas Cowie	Queen's University Belfast	783
Professor David Eastwood	University of Birmingham	1,662
Professor Roger Kain	School of Advanced Study	680
Professor Ewan McKendrick	University of Oxford	7,884
Professor Andrew Thompson	University of Exeter	2,721
Professor Greg Walker	University of Edinburgh	2,996
Professor Sarah Worthington	University of Cambridge	6,852

24. Events after the Reporting Period

Events after the reporting period require the disclosure of the date on which the financial statements were authorised for issue and who gave that authorisation. The financial statements were authorised for issue on the 13 June 2012 by Professor Rick Rylance. There have been no events after the reporting period requiring adjustment to the financial statements.

Appendix 1 Research Programme: Applications and awards 2011 for England, Scotland, Wales and Northern Ireland

UK Scheme	No. Of Applications	Amount Requested	No. Of Successful Applications	% Success Rate (Nos)	Amount Awarded	% Success Rate (£)
Responsive Mode						
Fellowships	217	£11,552,684	85	39%	£4,477,438	39%
Fellowships (Early Career)	141	£7,149,060	64	45%	£3,181,153	44%
Research Grants (Early Career)	32	£4,213,239	15	47%	£1,895,094	45%
Research Grants (Speculative)	11	£1,575,053	4	36%	£600,085	38%
Research Grants (Standard)	264	£97,837,195	63	24%	£27,165,174	28%
Research Networking	115	£3,506,831	65	57%	£2,048,314	58%
Thematic						
Communities Culture & Creative Economy (Connected Communities)	5	£5,388,478	3	60%	£3,584,721	67%
Exploratory Awards (Science in Culture)	46	£982,366	16	35%	£323,201	33%
Follow on Fund (Connected Communities)	47	£2,529,296	22	47%	£1,167,699	46%
Project Development (Connected Communities)	6	£71,316	6	100%	£71,316	100%
Research Development Awards (Digital Translations in Arts & Humanities)	57	£1,257,430	18	32%	£401,725	32%
Research Development Awards (Translating Cultures)	22	£485,236	10	45%	£222,157	46%
Research for Community Heritage (Connected Communities)	39	£752,120	21	54%	£427,785	57%
Researching Environmental Change Follow Up (Care for the Future)	6	£475,893	6	100%	£475,893	100%
RSA Grant (Connected Communities)	1	£121,284	1	100%	£121,284	100%
Scoping Studies & Research Reviews (Connected Communities)	68	£1,763,640	33	49%	£885,019	50%
Total	1,077	£139,661,119	432	40%	£47,048,058	34%
England Scheme						
Responsive Mode						
Fellowships	182	£9,668,221	68	37%	£3,489,974	36%
Fellowships (Early Career)	113	£5,598,811	46	41%	£2,229,529	40%
Research Grants (Early Career)	28	£3,614,161	14	50%	£1,734,750	48%
Research Grants (Speculative)	9	£1,311,495	3	33%	£477,583	36%
Research Grants (Standard)	206	£75,399,730	46	22%	£19,280,827	26%
Research Networking	101	£3,095,914	60	59%	£1,891,484	61%
Thematic						
Communities Culture & Creative Economy (Connected Communities)	3	£3,058,574	2	67%	£2,454,422	80%
Exploratory Awards (Science in Culture)	36	£776,296	13	36%	£279,581	36%
Follow on Fund (Connected Communities)	38	£2,070,915	18	47%	£952,320	46%
Project Development (Connected Communities)	4	£47,590	4	100%	£47,590	100%
Research Development Awards (Digital Translations in Arts & Humanities)	47	£1,048,861	13	28%	£286,384	27%
Research Development Awards (Translating Cultures)	21	£461,362	10	48%	£222,157	48%
Research for Community Heritage (Connected Communities)	31	£602,141	17	55%	£330,343	55%
Researching Environmental Change Follow Up (Care for the Future)	4	£310,164	4	100%	£310,164	100%
RSA Grant (Connected Communities)	1	£121,284	1	100%	£121,284	100%
Scoping Studies & Research Reviews (Connected Communities)	48	£1,301,013	25	52%	£688,457	53%
Total	872	£108,486,533	344	39%	£34,796,849	32%

Appendix 1 Research Programme: Applications and awards 2011 for England, Scotland, Wales and Northern Ireland

Scotland Scheme	No. Of Applications	Amount Requested	No. Of Successful Applications	% Success Rate (Nos)	Amount Awarded	% Success Rate (£)
Responsive Mode						
Fellowships	19	£1,102,896	10	53%	£647,647	59%
Fellowships (Early Career)	20	£1,199,967	13	65%	£743,705	62%
Research Grants (Early Career)	3	£439,381	0	0%	£-	0%
Research Grants (Speculative)	2	£263,558	1	50%	£122,502	46%
Research Grants (Standard)	39	£16,123,689	13	33%	£6,266,884	39%
Research Networking	8	£217,723	4	50%	£126,389	58%
Thematic						
Exploratory Awards (Science in Culture)	6	£121,853	2	33%	£30,615	25%
Follow on Fund (Connected Communities)	4	£220,605	2	50%	£110,349	50%
Research Development Awards (Digital Translations in Arts & Humanities)	6	£132,431	4	67%	£91,341	69%
Research Development Awards (Translating Cultures)	1	£23,874	0	0%	£-	0%
Research for Community Heritage (Connected Communities)	3	£54,161	1	33%	£19,858	37%
Researching Environmental Change Follow Up (Care for the Future)	1	£87,434	1	100%	£87,434	100%
Scoping Studies & Research Reviews (Connected Communities)	9	£211,377	3	33%	£61,786	29%
Total	121	£20,198,948	54	45%	£8,308,511	41%

Wales Scheme	No. Of Applications	Amount Requested	No. Of Successful Applications	% Success Rate (Nos)	Amount Awarded	% Success Rate (£)
Responsive Mode						
Fellowships	13	£674,938	5	38%	£273,785	41%
Fellowships (Early Career)	4	£169,120	3	75%	£104,293	62%
Research Grants (Standard)	8	£2,517,965	1	13%	£212,431	8%
Research Networking	2	£55,476	0	0%	£-	0%
Thematic						
Communities Culture & Creative Economy (Connected Communities)	2	£2,329,904	1	50%	£1,130,299	49%
Exploratory Awards (Science in Culture)	3	£60,912	1	33%	£13,005	21%
Follow on Fund (Connected Communities)	5	£237,776	2	40%	£105,030	44%
Project Development (Connected Communities)	2	£23,727	2	100%	£23,727	100%
Research Development Awards (Digital Translations in Arts & Humanities)	2	£41,891	1	50%	£24,000	57%
Research for Community Heritage (Connected Communities)	3	£57,838	2	67%	£39,603	68%
Researching Environmental Change Follow Up (Care for the Future)	1	£78,294	1	100%	£78,294	100%
Scoping Studies & Research Reviews (Connected Communities)	7	£164,999	3	43%	£80,421	49%
Total	52	£6,412,841	22	42%	£2,084,887	33%

Northern Ireland




Scheme	No. Of Applications	Amount Requested	No. Of Successful Applications	% Success Rate (Nos)	Amount Awarded	% Success Rate (£)
Responsive Mode						
Fellowships	3	£106,629	2	67%	£66,032	62%
Fellowships (Early Career)	4	£181,162	2	50%	£103,626	57%
Research Grants (Early Career)	1	£159,696	1	100%	£160,343	100%
Research Grants (Standard)	11	£3,795,810	3	27%	£1,405,032	37%
Research Networking	4	£107,277	1	25%	£30,441	28%
Thematic						
Exploratory Awards (Science in Culture)	1	£23,305	0	0%	£-	0%
Research Development Awards (Digital Translations in Arts & Humanities)	2	£34,247	0	0%	£-	0%
Research for Community Heritage (Connected Communities)	1	£18,991	1	100%	£18,991	100%
Scoping Studies & Research Reviews (Connected Communities)	2	£59,072	1	50%	£27,177	46%
Total	29	£4,486,188	11	38%	£1,811,643	40%

Appendix 2 Research Programme: Location of applicants and award holders 2011-12

Responsive Mode

Key No. of applications No. of awards made Value of awards (£)




Research Organisation	Fellowships	Fellowships (Early Career)	Research Grants (Early Career)	Research Grants (Speculative)	Research Grants (Standard)	Research Networking	Total
England							
Anglia Ruskin University	3	0	0	0	0	0	0
Arts University College at Bournemouth	0	0	0	0	0	0	0
Aston University	2	1	40,191	0	0	0	40,191
Bath Spa University	0	0	0	1	67,852	0	67,852
Birkbeck, University of London	5	4	229,991	1	62,678	0	321,941
Birmingham City University	0	0	0	0	0	0	400,223
Bournemouth University	0	0	0	0	0	0	0
The British Museum	2	0	0	0	0	0	675,807
Brunel University	2	1	75,750	0	0	0	75,750
City University	0	0	0	0	0	0	0
Courtauld Institute Of Art	0	0	0	0	0	0	0
Coventry University	2	0	0	0	0	0	0
De Montfort University	0	0	0	0	0	0	35,975
Durham University	4	1	71,606	3	1	41,973	1,147,535
Edge Hill University	0	0	0	1	37,655	0	37,655
Goldsmiths, University of London	2	1	58,208	2	1	64,855	159,062
Heythrop College	0	0	0	0	0	0	0
Imperial College London	0	0	0	0	0	0	21,526
Institute of Education	0	0	0	0	0	0	0
Keele University	2	1	71,432	0	0	0	135,950
King's College London	0	0	0	0	0	0	1,161,947
Kingston University	1	1	29,614	0	0	0	29,614
Lancaster University	3	1	62,671	0	0	0	86,670
London Metropolitan University	1	0	0	0	0	0	0
London School of Economics & Political Science	0	0	0	0	0	0	0
London School of Hygiene and Tropical Medicine	0	0	0	0	0	0	0
London South Bank University	1	0	0	0	0	0	31,724
Loughborough University	2	1	29,873	0	0	0	29,873
Manchester Metropolitan University	1	0	0	0	0	0	0
Middlesex University	0	0	0	0	0	1	35,879
							123,881













Key  No. of applications  No. of awards made  Value of awards (£)




Research Organisation	Fellowships		Fellowships (Early Career)		Research Grants (Early Career)		Research Grants (Speculative)		Research Grants (Standard)		Research Networking		Total						
	Value	No. of awards	Value	No. of awards	Value	No. of awards	Value	No. of awards	Value	No. of awards	Value	No. of awards							
National Museum of Science and Industry Group	2	1	53,790	0	0	0	0	0	0	0	1	1	23,208	3	2	76,998			
Newcastle University	8	2	85,914	1	1	25,414	1	1	104,560	0	3	0	0	1	1	35,670	14	5	251,558
Northumbria University	1	0	0	3	1	66,870	0	0	0	0	3	1	240,940	4	2	59,422	11	4	367,232
Nottingham Trent University	3	1	31,502	2	1	26,151	0	0	0	0	5	0	0	0	0	0	10	2	57,653
Open University	3	1	72,737	0	0	0	0	0	0	3	0	0	0	5	2	70,061	11	3	142,798
Oxford Brookes University	2	0	0	1	1	53,490	0	0	0	0	3	0	0	3	2	58,930	9	3	112,420
Queen Mary, University of London	3	0	0	3	1	40,705	2	0	0	2	2	516,752	2	1	35,351	12	4	592,807	
Roehampton University	1	0	0	2	2	83,012	1	0	0	0	1	0	0	0	0	0	5	2	83,012
Royal College of Art	1	1	69,658	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	69,658
Royal College of Music	0	0	0	2	1	55,350	0	0	0	0	1	0	0	0	0	0	3	1	55,350
Royal Holloway, University of London	6	1	82,147	3	0	0	1	1	151,716	0	4	0	0	1	0	0	15	2	233,863
Royal Northern College of Music	0	0	0	1	1	62,410	0	0	0	0	0	0	0	0	0	0	1	1	62,410
School of Oriental & African Studies	0	0	0	4	1	21,664	0	0	0	0	3	2	979,721	1	0	0	8	3	1,001,385
Sheffield Hallam University	1	0	0	1	0	0	0	0	0	2	0	0	0	0	0	0	4	0	0
Southampton Solent University	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	2	0	0
St Mary's University College, Twickenham	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
Staffordshire University	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	20,977	1	1	20,977
University of Teesside	0	0	0	1	1	53,481	1	0	0	0	0	0	0	0	0	0	2	1	53,481
University College London	0	0	0	0	0	0	1	1	159,750	0	9	2	628,111	0	0	0	10	3	787,860
University for the Creative Arts	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0
University of Bath	0	0	0	1	1	58,944	0	0	0	0	0	0	0	0	0	0	1	1	58,944
University of Bedfordshire	0	0	0	0	0	0	1	1	48,143	0	1	0	0	0	0	0	2	1	48,143
University of Birmingham	5	1	22,653	2	2	63,228	1	1	71,984	0	6	2	1,209,881	3	3	93,373	17	9	1,461,119
University of Bradford	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
University of Brighton	0	0	0	1	0	0	0	0	0	2	1	262,924	0	0	0	3	1	262,924	
University of Bristol	9	1	29,953	4	2	105,986	0	0	0	1	0	1	35,802	15	4	171,740			
University of Cambridge	4	2	96,539	0	0	0	2	1	157,116	6	1	725,272	5	4	141,947	17	8	1,120,873	
University of Central Lancashire	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	2	0	0
University of Chester	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0
University of East Anglia	4	2	86,370	0	0	0	0	0	0	4	2	1,058,771	2	1	35,488	10	5	1,180,629	
University of East London	2	1	25,426	0	0	0	0	0	0	2	0	0	0	2	1	31,835	6	2	57,261
University of Essex	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	3	0	0
University of Exeter	13	6	302,403	9	3	109,974	4	2	217,833	0	9	2	649,092	3	1	35,111	38	14	1,314,412
University of Hertfordshire	0	0	0	0	0	0	0	0	0	3	0	0	0	1	1	33,923	4	1	33,923
University of Huddersfield	3	0	0	1	0	0	0	0	0	4	2	458,400	0	0	0	8	2	458,400	













Appendix 2 Research Programme: Location of applicants and award holders 2011-12

Responsive Mode

Key  No. of applications  No. of awards made  Value of awards (£)

Research Organisation	Fellowships		Fellowships (Early Career)		Research Grants (Early Career)		Research Grants (Speculative)		Research Grants (Standard)		Research Networking		Total								
																					
University of Hull	3	1	68,948	0	0	0	0	0	0	0	1	0	5	1	68,948						
University of Kent	6	4	163,180	5	0	2	1	173,643	0	0	6	2	650,345	3	3	90,257					
University of Leeds	11	2	100,398	3	1	26,949	3	0	0	0	5	2	1,044,156	4	2	63,167					
University of Leicester	5	0	0	7	2	148,324	0	0	0	0	3	0	0	4	4	103,776					
University of Lincoln	0	0	0	1	0	0	0	0	0	1	1	0	456,373	1	0	0					
University of Liverpool	2	2	82,666	2	0	0	1	160,727	0	0	3	0	0	1	1	24,096					
University of London	0	0	0	0	0	0	0	0	0	3	0	0	0	2	2	68,990					
University of Manchester	1	1	87,906	1	1	27,647	2	2	250,494	0	0	5	2	3	3	95,295					
University of Northampton	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0					
University of Nottingham	3	3	151,954	5	4	182,667	0	0	0	0	2	1	641,376	4	3	94,177					
University of Oxford	8	7	420,091	11	5	238,352	1	0	0	0	12	5	2,419,513	4	2	58,280					
University of Plymouth	0	0	0	0	0	0	0	0	0	1	0	0	0	1	1	36,042					
University of Portsmouth	0	0	0	2	2	64,634	0	0	0	0	0	0	0	1	0	0					
University of Reading	5	2	83,211	3	1	62,006	0	0	0	0	9	3	1,287,272	1	0	0					
University of Salford	1	0	0	2	0	0	0	0	0	1	0	0	0	0	0	0					
University of Sheffield	7	4	262,152	1	1	75,611	2	2	307,899	4	2	320,467	1	0	0	2					
University of Southampton	4	1	31,245	4	2	126,159	0	0	0	1	0	0	0	5	0	0					
University of Sunderland	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0					
University of Surrey	1	0	0	1	0	0	0	0	0	3	1	0	486,406	0	0	0					
University of Sussex	2	1	91,460	1	0	0	0	0	0	1	0	0	0	3	2	66,114					
University of the Arts London	0	0	0	0	0	0	0	0	0	0	0	0	0	4	2	71,950					
University of the West of England	3	1	20,511	1	0	0	0	0	0	3	0	0	0	0	0	0					
University of Warwick	5	2	92,312	3	2	123,884	0	0	0	3	0	0	0	2	1	35,990					
University of Westminster	3	1	59,484	1	0	0	0	0	0	1	0	0	0	3	0	0					
University of Winchester	2	2	74,805	0	0	0	0	0	0	2	1	0	525,043	0	0	0					
University of Wolverhampton	3	2	71,222	0	0	0	0	0	0	3	0	0	0	0	0	0					
University of Worcester	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0					
University of York	2	0	0	0	0	0	0	0	0	4	1	0	780,617	1	1	35,492					
York St John University	0	0	0	1	1	51,606	0	0	0	0	0	0	0	0	0	0					
Total	182	68	3,489,974	113	46	2,229,529	28	14	1,734,750	9	3	477,583	206	46	19,280,827	101	60	1,891,484	639	237	29,104,147
Percentage of grand total	84%	80%	78%	80%	72%	70%	88%	93%	92%	82%	75%	80%	78%	73%	71%	88%	92%	92%	83%	81%	77%

Key  No. of applications  No. of awards made  Value of awards (£)

Research Organisation	Fellowships		Fellowships (Early Career)		Research Grants (Early Career)		Research Grants (Speculative)		Research Grants (Standard)		Research Networking		Total								
																					
Scotland																					
Edinburgh College of Art	0	0	2	0	0	0	1	0	0	0	0	0	3	0							
Glasgow School of Art	0	0	0	0	0	0	1	122,502	1	0	0	0	2	1							
Heriot-Watt University	1	0	1	65,747	0	0	0	0	0	0	0	0	2	1							
Royal Commission on the Ancient and Historical Monuments of Scotland	0	0	0	0	0	0	0	0	1	0	0	0	1	0							
University of Aberdeen	0	0	2	69,279	0	0	0	0	0	0	0	0	2	1							
University of Dundee	1	0	0	0	0	0	0	0	4	1	211,451	1	6	1							
University of Edinburgh	5	3	218,818	5	3	192,236	0	0	7	2	1,532,975	3	1	27,264							
University of Glasgow	5	3	188,197	3	1	61,250	0	0	12	5	2,465,179	3	3	99,125							
University of St Andrews	4	3	172,061	3	3	193,473	0	0	8	3	1,732,510	1	0	0							
University of Stirling	3	1	68,572	4	4	161,719	0	0	2	0	0	0	0	9							
University of Strathclyde	0	0	0	0	3	0	0	0	3	2	324,769	0	0	6							
University of the Highlands and Islands	0	0	0	0	0	0	0	0	1	0	0	0	0	1							
Total	19	10	647,647	20	13	743,705	3	0	2	1	122,502	39	13	6,266,884	8	4	126,389	91	41	7,907,127	
Percentage of grand total	9%	12%	14%	14%	20%	23%	9%	0%	18%	25%	20%	15%	21%	23%	7%	6%	6%	12%	14%	21%	
Wales																					
Aberystwyth University	2	1	34,464	0	0	0	0	0	0	0	0	1	0	0	1	0	0	5	1	34,464	
Bangor University	4	3	196,140	3	2	72,238	0	0	0	0	0	2	0	0	1	0	0	10	5	268,378	
Cardiff University	3	1	43,181	0	0	0	0	0	0	0	0	2	1	212,431	0	0	0	5	2	255,611	
Swansea University	2	0	0	1	1	32,055	0	0	0	0	0	0	0	0	0	0	0	3	1	32,055	
University of Glamorgan	2	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	3	0	0	
University of Wales	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	
Total	13	5	273,785	4	3	104,293	0	0	0	0	0	8	1	212,431	2	0	0	27	9	590,508	
Percentage of grand total	6%	6%	6%	3%	5%	3%	0%	0%	0%	0%	0%	3%	2%	1%	2%	0%	0%	4%	3%	2%	
Northern Ireland																					
Queen's University Belfast	1	1	33,031	4	2	103,626	1	1	160,343	0	0	7	3	1,405,032	3	1	30,441	9	5	327,442	
University of Ulster	2	1	33,001	0	0	0	0	0	0	0	0	4	0	0	1	0	0	3	1	33,001	
Total	3	2	66,032	4	2	103,626	1	1	160,343	0	0	11	3	1,405,032	4	1	30,441	12	6	360,443	
Percentage of grand total	1%	2%	1%	3%	3%	3%	3%	7%	8%	0%	0%	4%	5%	5%	3%	2%	1%	2%	2%	1%	
Grand Total	217	85	4,477,438	141	64	3,181,153	32	15	1,895,094	11	4	600,085	264	63	27,165,174	115	65	2,048,314	769	293	37,962,225

Appendix 3: Block Grant Partnership (BGP) Studentships 2011-12

These numbers represent the minimum full-time equivalent (FTE) studentships starting in 2011-12 for which the AHRC has provided funding through the Block Grant Partnership (BGP) scheme. The number of actual studentships supported at Research Organisations (RO) may vary depending on the number of part-time students, fees-only students and part-funded students (where a minimum of 50% of the funding must come from the AHRC, with the remaining funding being sourced by the RO) supported by the BGP award. ROs have flexibility in managing and allocating their BGP awards and funds, and the numbers reported here represent the basis upon which the AHRC funding was calculated for the 2011-12 BGP allocations.

Research Organisation (or consortia)	Doctoral	Research Preparation Masters	Professional Preparation Masters	Research Organisation (or consortia)	Doctoral	Research Preparation Masters	Professional Preparation Masters
England							
Birkbeck College	14	5	1	University of Liverpool	10	5	1
Birmingham City University	1	1	3	University of London	3	1	0
City University	0	0	11	University of Manchester	25	11	5
Courtauld Institute of Art	9	6	3	University of Nottingham	17	8	0
Durham University	15	5	1	University of Oxford	81	42	3
Goldsmiths, University of London	4	5	11	University of Reading	9	2	1
King's College London	22	11	0	University of Sheffield	14	7	10
Lancaster University	4	1	1	University of Southampton	9	4	1
London School of Economics & Political Science	4	1	0	University of Sussex	10	5	0
Loughborough University	0	0	2	University of the Arts London	3	1	16
Manchester Metropolitan University	3	1	4	University of Warwick	11	6	1
Newcastle University	14	4	5	University of York	21	10	1
Northumbria University; University of Sunderland	2	0	2	Total	514	228	142
Queen Mary, University of London	10	3	0	Scotland			
Royal Academy of Music	1	1	4	University of Aberdeen	6	2	0
Royal College of Music	1	0	5	University of Edinburgh	17	6	1
Royal Holloway, University of London	14	2	3	University of Glasgow	15	6	1
School of Oriental & African Studies	7	2	1	University of St Andrews	7	0	0
University College London	35	16	24	Total	45	14	2
University of Bath	0	0	8	Wales			
University of Birmingham	14	4	3	Aberystwyth University	2	0	4
University of Bristol	10	3	1	Cardiff University	10	4	3
University of Cambridge	70	33	0	Total	12	4	7
University of East Anglia	8	3	2	Northern Ireland			
University of Essex	5	3	0	Queen's University Belfast	9	1	0
University of Exeter	14	5	1	Total	9	1	0
University of Kent	2	2	1	UK Total	580	247	151
University of Leeds	14	8	4				
University of Leicester	4	1	2				

Appendix 4: Block Grant Partnership: Capacity Building awards 2011-12

Block Grant Partnerships: Capacity Building (BCP:CB) awards were made in 2011-12 to Research Organisations (ROs) for an allocation of postgraduate studentships in specific subject areas and schemes (ie Masters or Doctoral). A summary of the BCP:CB applications and awards is below. The allocations are for three cohorts of students, commencing with students beginning their postgraduate study in the 2011-12 academic year (see other table).

Applications received	Consortia applications	Research Organisations involved
56	13	74
Awards made	Consortia awards	Research Organisations involved
34	9	48

Appendix 4: Block Grant Partnership: Capacity Building Studentships 2011-12

These numbers represent the minimum full-time equivalent (FTE) studentships starting in 2011-12 for which the AHRC has provided funding through the Block Grant Partnership: Capacity Building (BGP:CB) scheme. The number of actual studentships supported at Research Organisations (RO) may vary depending on the number of part-time students, fees-only students and part-funded students (where a minimum of 50% of the funding must come from the AHRC, with the remaining funding being sourced by the RO) supported by the BGP:CB award. ROs have flexibility in managing and allocating their BGP:CB awards and funds, and the numbers reported here represent the basis upon which the AHRC funding was calculated for the 2011-12 BGP:CB allocations.

Research Organisation (or consortia)	Doctoral	Research Preparation Masters	Professional Preparation Masters	Research Organisation (or consortia)	Doctoral	Research Preparation Masters	Professional Preparation Masters
England							
Anglia Ruskin University	0	0	2	University of East London; London Metropolitan University; London South Bank University; Middlesex University; University of Greenwich	1	3	6
Bath Spa University	0	0	6	University of Hull; University of Huddersfield	1	1	0
Bournemouth University	2	0	2	University of Lincoln; University of Derby; University of Northampton	0	0	1
Buckinghamshire New University	0	0	1	University of Teesside	1	0	1
Canterbury Christ Church University	0	0	1	University of Westminster	1	1	0
Central School of Speech and Drama	0	0	5	Total	29	15	60
De Montfort University	2	0	1	Scotland			
Imperial College London	1	0	5	Glasgow School of Art	1	0	2
Institute of Education, University of London	1	1	1	University of Dundee	2	0	0
Keele University; University of Salford	2	2	3	University of Stirling; University of Strathclyde	1	2	3
Kingston University	1	1	3	Total	4	2	5
Liverpool Hope University	0	1	1	Wales			
Liverpool Hope University	0	1	1	Bangor University	3	2	0
Nottingham Trent University	3	0	3	Swansea University	2	3	0
Open University	1	0	0	University of Wales Institute, Cardiff; University of Wales, Newport	0	1	0
Oxford Brookes University; University of Hertfordshire; University of Surrey	2	1	4	Total	5	6	0
Roehampton University	0	0	1	UK Total	38	23	65
Royal College of Art	4	0	0				
Royal Northern College of Music	1	0	2				
Sheffield Hallam University	1	0	1				
Sotheby's Institute of Art	0	0	3				
University for the Creative Arts; Norwich University College of the Arts	0	0	3				
University of Bradford	1	1	1				
University of Brighton; University of Chichester	3	3	3				

Appendix 5: Collaborative Doctoral Awards 2011-12

Research Organisation	Applications	Awards	Awards made through highlight notices	Studentships supported	Partner Organisations
England					
Birmingham City University	1	1	1	1	Belfast Exposed
Bournemouth University	2	1	0	1	English Heritage
Central School of Speech and Drama	3	0	0	0	–
Courtauld Institute of Art	2	1	0	1	Tate
Coventry University	1	1	0	1	Siobhan Davies Dance
De Montfort University	1	1	0	1	Rugby Football League
Goldsmiths, University of London	6	3	0	3	Tate, Asian Music Circuit, National Museum of Science and Industry
Imperial College London	1	1	0	1	Royal College of Veterinary Surgeons
Keele University	3	0	0	0	–
King's College London	3	1	0	1	Museum of London
Kingston University	1	1	0	1	National Maritime Museum
Lancaster University	2	1	0	1	The Royal Mint
Liverpool Hope University	1	0	0	0	–
London South Bank University	1	1	0	1	Tate
Loughborough University	1	0	0	0	–
Manchester Metropolitan University	1	1	0	1	Imperial War Museum London
Middlesex University	1	0	0	0	–
Newcastle University	6	1	0	1	Audio Visual Arts North East
Northumbria University	2	1	0	1	Shipley Art Gallery
Nottingham Trent University	3	0	0	0	–
Open University	1	0	0	0	–
Oxford Brookes University	4	1	0	1	Penlee House and Gallery Museum
Queen Mary, University of London	3	1	0	1	Institut Francais
Roehampton University	4	0	0	0	–
Royal College of Art	3	2	1	2	Victoria and Albert Museum, National Museum of Science and Industry
Royal Holloway, University of London	4	3	0	3	Spanish and Portuguese Jews' Congregation, National Museum of Science and Industry, British Museum
Royal Northern College of Music	1	0	0	0	–
School of Oriental & African Studies	1	0	0	0	–
University College London	6	3	0	3	British Museum, Tate, Wellcome Library
University of Birmingham	2	0	0	0	–

Appendix 5: Collaborative Doctoral Awards 2011-12

Research Organisation	Applications	Awards	Awards made through highlight notices	Studentships supported	Partner Organisations
University of Bolton	1	1	0	1	Bolton Council
University of Bradford	2	1	0	1	The National Trust
University of Brighton	2	2	0	2	Design Museum London, The National Trust
University of Bristol	3	3	0	4	Imperial War Museum London, Cesky rozhlas (Czech Radio), ss Great Britain Trust
University of Cambridge	2	0	0	0	–
University of Central Lancashire	1	1	0	1	People's History Museum
University of Derby	1	0	0	0	–
University of Durham	3	1	0	1	Foreign and Commonwealth Office
University of East Anglia	2	1	0	1	Norwich Castle Museum & Art Gallery
University of Exeter	6	3	0	3	Royal Geographical Society (with the Institute of British Geographers), Imperial War Museum London, Tuckers Hall
University of Hertfordshire	1	0	0	0	–
University of Huddersfield	2	1	0	1	English Heritage
University of Hull	2	1	0	1	Hull City Council
University of Kent	2	0	0	0	–
University of Leeds	14	4	0	4	National Media Museum, Royal Armouries Museum, Imperial War Museum, Leeds Museums and Galleries
University of Leicester	9	4	0	4	Lampport Hall Preservation Trust, Dr Williams's Trust, National Army Museum, National Museum Wales
University of Lincoln	1	0	0	0	–
University of Liverpool	1	0	0	0	–
University of London	1	1	0	2	British Postal Museum and Archive
University of Manchester	2	1	1	1	Royal Society for the encouragement of Arts, Manufactures and Commerce
University of Nottingham	6	3	0	3	British Film Institute, Nottingham City Council, House of Commons
University of Oxford	3	1	0	1	Royal Anthropological Society
University of Plymouth	3	1	1	1	Plymouth City Council
University of Portsmouth	1	0	0	0	–
University of Reading	2	2	0	2	St Bride Foundation, Royal Society of London
University of Salford	5	0	0	0	–
University of Sheffield	4	2	2	2	The Glass-House, Derbyshire County Council
University of Southampton	5	0	0	0	–
University of Sunderland	1	0	0	0	–
University of Surrey	1	0	0	0	–

Research Organisation	Applications	Awards	Awards made through highlight notices	Studentships supported	Partner Organisations
University of Sussex	2	0	0	0	-
University of the Arts London	2	0	0	0	-
University of the West of England	3	0	0	0	-
University of Warwick	2	0	0	0	-
University of Winchester	2	1	0	1	Church of England
University of York	8	6	0	6	Harrogate Borough Council, Council for British Archaeology, National Gallery, Tate, Glasgow Museums, York Archaeological Trust
York St John University	1	0	0	0	-
Total	180	67	6	69	
Scotland					
Queen Margaret University	1	0	0	0	-
Robert Gordon University	1	1	1	1	Woodend Barn
University of Aberdeen	2	0	0	0	-
University of Dundee	2	1	0	1	National Museums of Scotland
University of Edinburgh	6	3	0	3	Historic Scotland, National Maritime Museum, National Museums of Scotland
University of Glasgow	9	3	0	3	Glasgow Museums, Glasgow International Jazz Festival
University of Strathclyde	2	0	0	0	-
Total	23	8	1	8	
Wales					
Aberystwyth University	1	0	0	0	-
Bangor University	2	1	0	1	Forensic Linguistics Institute
Cardiff University	1	0	0	0	-
Swansea University	4	1	0	1	Hereford Cathedral
University of Glamorgan	1	0	0	0	-
University of Wales, Newport	1	0	0	0	-
Total	10	2	0	2	
UK Total	213	77	7	79	

Appendix 6: Knowledge Transfer Fellowships 2011-12

Research Organisation	Applications	Awards	£
Anglia Ruskin University	1	0	
University of the Arts London	1	0	
Coventry University	1	0	
DeMontfort University	1	0	
University of Exeter	3	1	£177,750
University of Glamorgan	1	0	
University of Hertfordshire	1	1	£165,853
University of Kent	1	1	£14,292
University of Leeds	1	1	£80,774
University of Leicester	1	0	
Loughborough University	1	1	£333,034
Queen's University Belfast	1	1	£103,898
Roehampton University	1	0	
St Marys University College	1	0	
Swansea University	1	1	£137,840
University of Warwick	1	0	
University of the West of England	1	0	
Totals	19	7	£1,013,441

Appendix 7: Follow-on Funding scheme 2011-12

Research Organisation	Applications	Awards	£	Research Organisation	Applications	Awards	£
Edinburgh College of Art	1	0		University of Kent	1	0	
Goldsmiths, University of London	2	1	£95,975	University of Leeds	4	1	£23,961
Kingston University	1	0		University of Lincoln	1	1	£64,834
London School of Economics and Political Science	1	1	£75,057	University of Manchester	4	3	£278,395
Middlesex University	1	0		University of Nottingham	2	2	£182,322
National Museum of Science and Industry	1	0		University of Oxford	2	0	
Open University	2	2	£191,002	University of Portsmouth	1	1	£95,821
Queen Mary, University of London	1	1	£95,821	University of Reading	2	1	£61,944
Queen's University Belfast	1	1	£96,000	University of Sheffield	1	0	
Roehampton University	2	1	£94,148	University of Southampton	1	0	
University College London	2	1	£86,782	University of Stirling	1	0	
University of Birmingham	1	0		University of Strathclyde	1	0	
University of Cambridge	1	0		University of Sunderland	1	0	
University of Central Lancashire	1	0		University of the West of England	2	1	£95,883
University of Edinburgh	2	2	£190,390	University of Warwick	3	1	£33,246
University of Exeter	2	0		University of Westminster	2	0	
				University of York	1	1	£95,449
				Totals	52	22	£1,857,031

Includes all applications from scheme opening in October 2010 with funding decisions made to end March 2012. Does not include five applications made ineligible.

Appendix 8: Knowledge Exchange Hubs for the Creative Economy 2011-2016

The AHRC is funding four Knowledge Exchange Hubs for the Creative Economy over the next four years.

Hub Title	Lead RO	Total Funding Awarded 2012-2016
The Creative Exchange	Lancaster University	£4,041,753
Design in Action	University of Dundee	£4,094,038
Creativeworks London	Queen Mary, University of London	£3,939,588
Research and Enterprise in the Arts and Creative Technologies (REACT)	University of the West of England, Bristol	£4,039,464



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