

SETTING UP EXTERNALLY PARTNERED STUDENTSHIPS

Purpose:

This simple guidance document is written for LU academics wishing to engage in externally sponsored PhD studentships, to help them understand the terminology, options and issues that may arise in partnership discussions.

NB: Academics should not open up any discussions with potential partners regarding legal, IP or commercial structures. Any such proposals and negotiations should be handled by the Research and Enterprise Team.

Background:

LU (via the Doctoral College) is seeking to increase external funding for PhD studentships and industrial sponsorship is seen as a potential growth opportunity. Amongst academic staff across the schools (and even within departments) there is a varying level of understanding and experience of establishing successful external partnerships for PhD training.

This document outlines key steps to establishing a sponsored studentship, to help streamline the negotiations, improve the efficiency of contract negotiation and ultimately to **increase numbers of successfully established industrially sponsored studentships.**

Key points to stress with potential partners:

PhD sponsorship is primarily about building a stronger future workforce and facilitating the formation and development of valuable collaborative research networks across academia and industry. A PhD provides the student with training, making research outcomes and delivery unpredictable. However, if a PhD is not appropriate there is a range of alternative routes through which industry can collaborate with Loughborough University researchers.

The University holds charitable status and must operate within certain parameters

As the University receives public funding it needs to widely disseminate findings from its research through academic publications and other communication formats.

There are alternative ways for external partners to access University expertise if a PhD is not the best fit with the partner's requirements which you can discuss with the Research & Enterprise team.

3 STEPS to establish a successful industrial partnered studentship

STEP 1: Motivation & 'Must haves'

When establishing a new collaboration, it is critical to understand the motivation (on both sides) for setting up an externally sponsored studentship. This will help you to identify an appropriate contract model and discuss the funding expectations and options with the proposed partner. Getting clarity on potential 'non-negotiables' at the beginning will alert you to likely sticking points early on and to address these. An issue that is critical for one party is often less important to the other and if it can be accommodated at the outset, lengthy debates between the respective legal departments can be avoided.

Obstacles which can commonly be problematic during contract negotiations:

Confidentiality: Universities operate in a collaborative culture of knowledge sharing, which may in some circumstances conflict with commercial sensitivity and confidentiality requirements. This can usually be managed appropriately through a combination of contractual provisions, common sense and good data management practices.

Liability: University's charitable status prohibits it from entering into contracts presenting disproportionate risks and hence mitigation through practical mechanisms such as appropriately capping liability etc., is essential.

Intellectual Property (IP): Irrespective of the IP model or ownership arrangements, the University must in all cases retain ongoing rights¹ to use arising IP for research and teaching purposes.

Common drivers for establishing collaborative studentships:

Benefits of an externally sponsored PhD for the University

- A valuable PhD training which is academically rigorous and seeks to address a genuine business need, with strong potential for 'real world' impact and application
- Placement and training from the business partner enrich the student experience, helping them to build employability, 'soft skills' and commercial awareness.
- For > 50% of PhD's, their career 'next destination' is outside academia and training within an applied context equips them well for their future career.
- For PhDs who continue in academia, an understanding of business drivers and challenges equips them well to build future collaborations with industry
- An opportunity to 'test the water' for collaboration with a new industrial partner
- Helps to build future external networks for the students, the PI and the University
- Business partner's financial input helps share the cost of training future researchers
- Provides opportunities for publications and access to industry-specific expertise/ capability / equipment / training / data
- Additional funding towards a stipend 'top-up', training and travel expenses helps to attract high quality candidates
- PI is able to progress an area of interest, expanding their profile and networks and a PhD project can often seed much bigger collaborative research activities and funding.

Benefits for the non-academic partner of sponsoring a PhD

- Opportunity to 'test the water' for collaboration with new academic partners
- Helps to build future collaborative networks
- Access to new capability / expertise / equipment / networks / LU research community
- Address a knowledge gap or enduring challenge / generate novel insights providing a competitive advantage and novel IP
- Increased expertise and authority (eg. through publications and involvement in R&D)
- Support future talent pipeline – ensures a supply of future employees with relevant skill sets who are both academically rigorous and able to address business challenges

¹ Whilst the ownership of arising IP is negotiable, it is essential the University has 'freedom to operate' ie. to use IP for the University's main purposes which are teaching and research (eg. lectures, workshop resources and grant funding applications)

- Immersion of the student within the company culture whilst on placement provides a unique opportunity to shape them and assess their suitability as future employees
- Opportunity to leverage external funding (eg. from UKRI)
- Access bigger opportunities to access research partnership funding (eg. Innovate UK)
- They may be entitled to R&D tax relief in respect of the project
- Aligns well to flexible 'open innovation' models of industry R&D, providing access to a dedicated PhD student working on their challenge area for 3-4 years
- Good PR/ external visibility within HE environment

STEP 2: Funding & Contract Models

NB. Do not attempt to negotiate the contract yourself or agree to funding proposals at this stage.

Fundamentals for co-funded PhDs:

- A. A PhD project should allow an **independent piece of research** to be **conducted and directed by the student within a challenge area co-created with academic and external supervisors**.
- B. At the end of the project, the student will need to **produce a thesis** which will be **externally examined**, following the **University academic process**. If necessary, the thesis can be held in 'restricted access' for an agreed reasonable period of time, although eventually it must be added to the public body of knowledge.
- C. The student should have the **freedom to publish** and to **participate in external academic networks, sharing the knowledge** they gain from their research.
- D. The sponsor may need to take steps prior to publication to **protect any commercially sensitive intellectual property** generated in the project. The contract will accommodate an agreed moderate maximum length of publication delay appropriate for the field of study.
- E. Even if they do not plan to file a patent, the sponsor may want **notice time** to consider how they can **make best use of any competitive advantage** derived from the research eg. if they have a product launch coming up or want to make a press release around the publication. A moderate delay can usually be agreed (outside of the contract) between the student, the company and the academic supervisor.
- F. Regardless of any decision around ownership of arising IP, the University will need to retain an **ongoing right² to use IP generated for research and teaching purposes**.

How much will it cost an external partner to sponsor a Loughborough University PhD?

The University recognises the value of collaborative PhDs and operates **a range of funding models**, making them affordable and good value for external partners, whatever their available budget. The University has limited funding to partially support sponsored studentships. If this is of interest, you should talk to your school ADR as early as possible to see what is available.

² Whilst the ownership of arising IP is negotiable, it is essential the University has 'freedom to operate' ie. to use IP for the University's main purposes which are teaching and research (eg. lectures, workshop resources and grant funding applications)

LU have a range of contract templates suitable for externally sponsored studentships and the questions outlined on the next page can help you to identify which is most appropriate for your proposed partnership and to inform the level of financial support LU will expect from the partner.

Once you have decided that a PhD is the best route, you should discuss with your proposed partner:

1. the potential benefits of sponsoring a PhD (outlined above)
2. to identify the partner's priorities and key motivation for the proposed collaboration
3. to help inform what is an appropriate level of funding to match their expected output

The total cost in 2021/22 (excluding travel & consumables) for a 3yr UK fee status³ PhD at Loughborough University is around **£158k**. This includes research costs, a competitive stipend, as well as indirect costs such as estates, professional services and administrative support. If a partner wishes for all arising IP from the project to be assigned to them (subject to the University's ongoing rights of use) (see model **CM1** below), LU expects a minimum cash contribution of ~£105k⁴ plus any travel, consumables and equipment costs associated with the project. If the partner wishes to support at a lower level, we can negotiate regarding how the IP is assigned in relation to the funding offered.

PhD studentship Contract Models with established templates⁵:

- CM1:** Arising IP is owned by the company
- CM2:** Arising IP is jointly owned
- CM3:** Arising IP is owned by the University
- CM4:** Philanthropic donation

Questions to help identify an appropriate contract & funding model

Q1 Is this project suitable for a PhD? ie it should be pre-competitive. If it is too 'close to market' and 'business critical' it is probably better suited to 'Contract Research' (see points A and B on page 3).

If 'NO' Consider other options such as **contract research** with LU (eg. Post-doc or RA) OR through LU Enterprise Ltd, depending on partner's attitude to use of arising IP, confidentiality and publication.

If 'YES'



Q2 Does the company want to own all the arising IP²? If so, they need to fund over 65% of total cost. This represents a good return on investment (~£105k + costs) as they will get a high-quality

³ Cost includes UK fee status fees plus UKRI stipend OR International fees only. Where an International candidate is recruited, the school must either provide 1 FTE studentship match from their allocation or the external partner can make up the UK-International fee difference.

⁴ 65% is the minimum required contribution, and to act in the University's best interests, negotiations should aim to secure the greatest contribution possible.

⁵ Other contractual models are available, but please note that if the requirements of the project and partner's needs do not align with one of the 4 contract models, the contractual process will likely be more protracted, impacting the timeframe of gaining contractual agreement and the activity start, due to the need for negotiation.

graduate working on their chosen challenge, for a fixed period of time (3 years) and access to the University's expertise (supervisor), facilities and wider research network.

If 'YES' consider **Contract model 1 (CM1)**

If 'No'



Q3 Is the company willing to share the arising IP with University? If the sponsor's budget is insufficient to opt for **CM1**, a studentship match with LU funds may be possible and you should check availability from your school's studentship allocation. The partner will get joint ownership of any IP generated (with a non-exclusive, royalty free licence to use and exploit) plus an option to negotiate for an exclusive licence. In this case the external partner would be expected to contribute a minimum of £64k⁶, plus any travel, consumables and equipment costs associated with the project. NB joint ownership of IP is complex to manage practically and legally and may impact on the use of the outputs beyond the end of the PhD project

If 'YES' consider **Contract model 2 (CM2)**

Q4 Does the company want to partner a UKRI funded studentship (eg. EPSRC)? If so there are certain restrictions eg. in relation to student eligibility, publication, data sharing and [open access](#) requirements. Please see UKRI [studentship policy](#) for further details. The project will also need to align to the chosen research council's remit. The company must play a significant role in defining and supervising the project goals, gets joint ownership of any IP generated (with a non-exclusive, royalty free licence to use and exploit) plus an option to negotiate for an exclusive licence. In this case the external partner would be expected to contribute a minimum of £32k⁷ (ie 50% of the cost of fees and stipend), plus any travel, consumables and equipment costs associated with the project

If 'YES' **Contract model 2 (CM2)** is required, see [UKRI](#) guidance. Contact your school DDP to enquire about a 0.5FTE studentship match. Contact the DC r CASE conversion / iCASE opportunities.

If 'No' or insufficient funding is available



Q5 Does the sponsor have a limited budget? If the sponsor can only contribute a lower level of cash and/or could make an 'in kind' contribution, they can still partner with LU on a studentship project, assuming funding is available from your school's studentship allocation. The partner will be able to access LU expertise and all the benefits outlined above and if they subsequently want to use any IP generated they can negotiate a licence at that point in time.

If 'YES' consider **Contract model 3 (CM3)**

⁶ Cost includes UK fee status plus UKRI stipend OR international fees only. Where an International student is recruited, the school must either provide 1 FTE studentship match from their allocation or the external partner can make up the UK-International fee difference.

⁷ Cost includes UK fee status plus UKRI stipend OR international fees only. Where an International student is recruited and you wish to make a fees and stipend award, the school must either provide 1.5 FTE studentship match from their allocation or the external partner can make up the UK-International fee difference. International offers are subject to a 30% cap at the whole CDT / DTP level as per UKRI T&Cs. The **LU PI** should ensure this cap is not exceeded.

OR



Q6 Is the sponsor a charity or a company with no interest to own arising IP or influence the publication strategy? It may be possible to set this up as a philanthropic donation which is outside the scope of VAT

If 'YES' consider **Contract Model 4 (CM4)**

Contract details

These will be drafted by your assigned Research Support Team Leader who can seek support from the Legal Services team if needed. **You must not attempt to negotiate the contract yourself.**

STEP 3: Recruitment

You should only proceed to student recruitment once the contract has been agreed and signed⁷.

Academic supervisors are required to submit the [Gecko form](#) once for each project they wish to advertise. The form will automatically filter the relevant fields required based on whether the supervisor selects funded or unfunded at the start of the form. On submission of the form, an email copy of the data will automatically be sent to the supervisor, as well as the corresponding PGR Administration team for the school/department that has been selected. Funded studentships⁸ adverts will be checked and approved by the Doctoral College (Academic Registry) before being passed to the designated School Marketing contact. Adverts for unfunded studentships will be reviewed and checked by the school PGR Administrators before sending onto the designated School Marketing contact.

In the current economic climate it can be a challenge to attract applications from high quality students for PhDs and the Doctoral College has compiled some general advice on how to increase your chances of success:

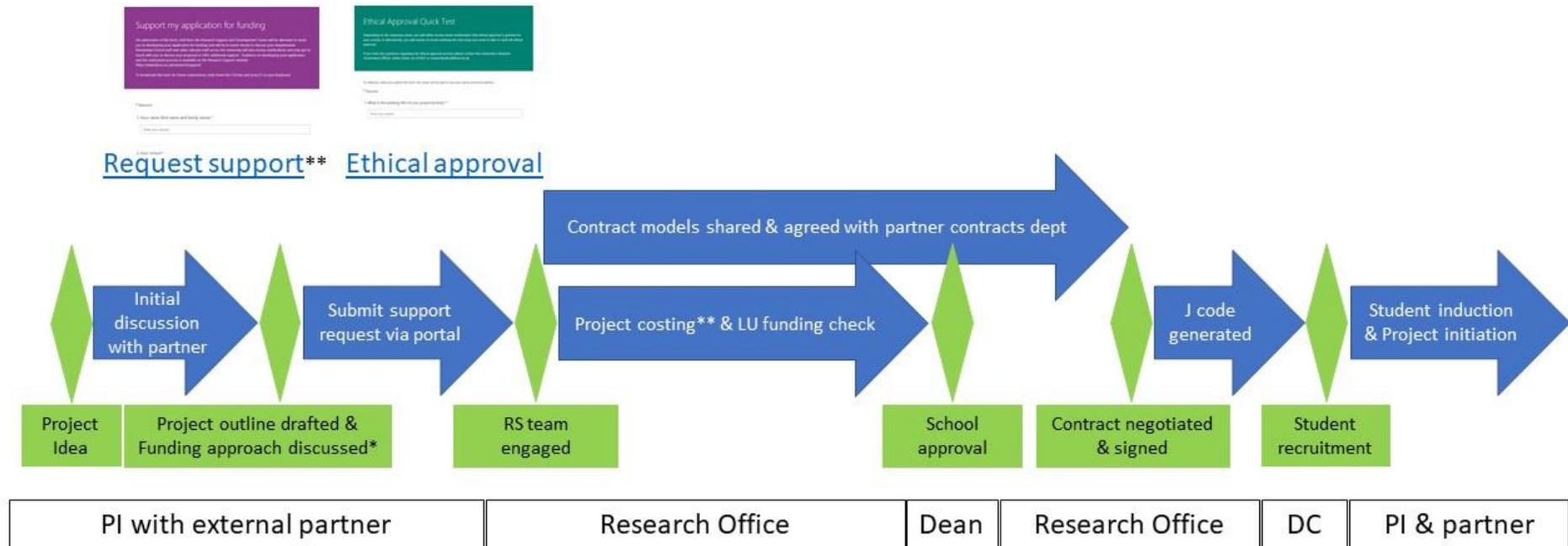
- The Doctoral College will advertise the studentship on 'Find A PhD' <https://www.findaphd.com/> and jobs.ac.uk and the [PGR prospectus](#)
- For guidance on preparing your advert please review the [advertising best practice document](#)
- It can take a bit of time to recruit a student so please speak to your school research administrator when you are getting close to having a signed contract. For example, to recruit an international student for an October start you would need to have your advert prepared by 20th June at the latest.
- It is important to think carefully about key words with appealing titles and project descriptions. Highlight any additional benefits from the collaborative partner (eg. stipend enhancement, placement, training)
- Advertising via your networks can be very effective. Consider if you can advertise it via the sponsor's networks / web page / at conferences

You should encourage your external partner to be involved in the recruitment process. **Early sponsor engagement with the student improves communication** during the collaboration resulting in **better project progress** and a **good student experience** and **training**.

For support with the PGR recruitment process, please contact your school administrator in the first instance and then the Doctoral College Academic Registry k.m.chamberlain@lboro.ac.uk

⁸ If you are recruiting 'at risk' further checks will be carried out by the Research Office and school approval will be required.

How to establish an externally partnered PhD studentship project



* Apply to internal calls for UKRI funding eg iCASE if appropriate and check if school has any 'match funds' available

**Requests for Support for studentship costing must be made at least 10 days in advance