

Royal Northern College of Music

Knowledge Exchange Policy

Policy & Procedure

Department: Research

Document owner: Director of
Research

Approval Committee: Executive
Committee

Revised: March 2021

Period of Approval: 3 Years

Review Date: March 2024

RNCM
ROYAL NORTHERN
COLLEGE of MUSIC

1. Introduction

The Royal Northern College of Music has always attached particular importance to working with external organisations. To support the strategic objectives of the College and to facilitate individual professional development, the College encourages staff to engage in knowledge exchange activities with external organisations related to their field of expertise. The College's 2020-25 strategic plan states that the College will 'commit to sharing our knowledge; developing an ambitious portfolio of targeted and impactful knowledge exchange and consultancy activities of relevance and benefit to those in our local community and to society as a whole'. Such work is an important channel through which the knowledge and expertise residing within, and developed by, the College can be transferred to business, the public and voluntary sectors and the wider community. This policy provides guidelines setting out how the arrangements for such work should be approached.

The potential benefits of knowledge exchange are wide-ranging:

For the College: delivering research impact, raising profile, financial contribution, enhancing reputation.

For Staff: informing research, feeding into teaching practice, raising profile/reputation and contributing to career pathways, potential collaboration, raising awareness, building relationships with partner organisations.

For Students: improved learning experience, potential contacts with businesses, relevance of learning (e.g. case studies).

For Society: contributing to the positive impact of music-making in Greater Manchester and around the world, supporting economic growth and contributing to communities nationally and internationally.

The College recognises the need for all knowledge exchange work to be properly costed and co-ordinated and for an accurate record to be maintained of all such activities. The College has adopted, in common with other UK higher education providers, the principle of Full Economic Costing (FEC) across all of its externally funded work. The underlying principle, of all knowledge exchange work with external organisations is that it is charged at Full Economic Cost as a minimum and that work for commercial partners is charged above this level, so that surplus on commercial income helps to underpin the financial sustainability of the College, allowing it to carry out its primary purpose more effectively. The delivery of the policy will be monitored by the Director of Research.

2. Definitions

There are four categories of commercial knowledge exchange activity covered by this policy:

Consultancy: refers to the provision of expert advice and work, from the College to the external organisation, without the creation of new knowledge.

Commercial Research: is working in partnership with an external organisation in the creation of new knowledge funded by the external organisation. This policy explicitly does not refer to research funded by Research Councils or other funders (such as charities).

Short Courses (including CPD and Executive Education): refers to the provision of training or learning activity by which external individuals maintain the knowledge and skills required for their profession or personal interest.

Knowledge Transfer Partnerships (KTPs): refers to the Innovate UK scheme, the KTP was established to provide businesses with new skills and the latest academic thinking to deliver a specific strategic innovation project with the support of a suitably qualified graduate, known as an Associate.

3. Consultancy

The offer of a consultancy is recognition that the member of staff concerned is considered an expert in their field. It should add to the stature of the recipient and to the reputation of the College.

Consultancy is the provision of services to external clients based primarily on skills and expertise. This can be offering specialist opinion, by advising on technical issues or by solving problems. Proposals involving the generation of new knowledge, or development of intellectual property are more likely to be research, rather than consultancy activities.

Consultancy work can be undertaken in one of two ways: as College consultancy or as a private consultancy.

College consultancy is where the College contracts with an external client to provide the consulting services of a member of staff. Use of College facilities will be permitted providing they are fully costed and paid for by the client and the use is limited (i.e. not consuming an unreasonable amount of time or taking priority over any teaching or other commitments). Such contracts benefit from the full support of the College's finance and knowledge exchange staff who can manage the administration, contractual and financial elements. These College contracts are covered by the College's professional indemnity insurance. All payments to staff as a result of undertaking consultancy activity are made via the College payroll. The College administers the tax issues (VAT, income tax and National Insurance) relating to the consultancy contract.

FTE Staff

Distribution of surplus income after recovering full economic costs will be the rate of 50% payable to the Individual and 50% retained by College. Payment to the individual will be made once payment from the client has been received and all other related costs have been met and will be made through the payroll after deduction of PAYE and National Insurance. The consultancy will form part of the member of staff's workload.

Fractional FTE Staff

If the work is undertaken as a component of the FTE, the distribution of surplus income will be the rate of 50% payable to the Individual and 50% retained by College. Payment to the individual will be made once payment from the client has been received and all other related costs have been met and will be made through the payroll after deduction of PAYE and National Insurance. However, if the work is undertaken in addition to the FTE, the distribution of income will be similar to PHTP staff.

PHTP Staff

PHTP staff will retain 80% of the total fee for consultancy work paid through the College. The College will retain 20% of the fee for the professional services support of the contract. PHTP staff will benefit from the College brand, marketing, contract and financial administration and insurance.

Private consultancy is consultancy in which the member of staff does not act as a representative of the College, does not use College time, or resources. The College does not seek to limit or control such work as long as it does not impinge adversely on the staff member's contractual duties. Private consultancy is not covered by the College's professional indemnity insurance, and the College will not accept liability if the external client seeks any redress. An employee intending to undertake private consultancy or other outside work must make it clear to the client, at the outset of discussions, that the proposed work would be undertaken by them in a private capacity.

	College Consultancy	Private Consultancy
Access to College facilities including office/studio space, letterhead, email and telephone	Yes	No
Support from the RNCM professional services including a contract, fee negotiation and invoicing	Yes	No
Professional liability insurance	Yes	No
Use of income	Income may be paid through PAYE and used for personal benefit.	Income may be paid directly into private accounts and declared, as appropriate.

College consultancies will be allowed only when the following requirements are met:

- The Director of Research and Director of Finance have taken into account a financial appraisal, the availability of appropriate resources to deliver in a timely way, and its fit with the College's strategic objectives for knowledge exchange and income generation.
- The Knowledge Exchange Manager has provided the staff member's Line Manager with full details of the work and the benefit which the Department and the staff member will derive from the consultancy, and the Line Manager has given his or her approval, as required by College procedure.
- Consultancy must not involve activities that may bring the College into disrepute, that conflict with the interests of the College, or that breach College policy.
- Consultancy activity carried out using College facilities, resources or name must be carried out under an institutionally authorised contract.

Staff are encouraged to look towards industry, commerce and other outside agencies, in addition to the Research Councils and charities, as potential collaborators but are reminded of the importance that all such work is properly priced. The College has established a Policy regarding costing and pricing of Consultancy activities so that it is conducted on a fee for service basis and the fee is based on the College's FEC model. FEC is an amount which, if recovered, would recover the total cost (direct or indirect) including an adequate recurring investment in infrastructure. It does not include a profit above the cost of an activity. The price charged to the client however, should include additional factors which reflect the market rate whenever a market will bear this. The price charged to the client will therefore depend on a number of factors including:

- The extent of the client's needs
- Urgency of the client's requirement
- Level of expertise involved
- Time involved on the project
- Availability of competitive alternative Consultancy
- Availability of public domain knowledge
- Extent of relevance to the member of staff, their School or equivalent
- Expectation of knock-on benefits
- Historic relationship

Consultancy support is provided through knowledge exchange, finance and research staff. Legal agreements for properly approved activity will be set up by the Knowledge Exchange Manager. It is important that all consultancy activity is recorded through College systems to maximise the potential impact on College profile and the potential for additional income (notably through the Higher Education Innovation Fund).

4. Commercial Research

A commercial research project is a research activity that should be discussed between the member of Staff and the Director of Research, who will authorise the project as required by College. The project documentation should also be discussed with the Director of Finance to ensure that the costings, pricings and the contract drafting are satisfactory. All costs for commercial research work must be calculated and recorded via the Research and Finance Departments, using the same internal support mechanisms as for costing of research proposals to UKRI and other funders.

Distribution of surplus income will be the rate of 50% Individual 50% College. Payment to the individual will be made once payment from the client has been received and all other related costs have been met and will be made through the payroll after deduction of PAYE and National Insurance.

5. Short Courses

New short courses, developed specifically for groups of learners and requiring the production of new course material and staff resource, require the approval of the KE Exec Group. If the course is accredited by another partner organisation, additional approvals might be required by the partner organisation.

All costs for short course activity must be calculated and recorded via the Finance Department, the costing and pricing of short courses will be carried out by the Head of Learning and Participation. Pricing of short course activity must be benchmarked and take into account the target customers, the College brand value and reputation, and current competitor pricing. FTE staff will be paid to teach on short courses only if the hours are additional to their contracted workload; short-course teaching, which is part of their workload, will be reflected in the workload planner. PTHP staff will be paid to deliver courses as they are for other teaching.

Intellectual Property: the College must retain rights over all teaching materials developed for short courses, including the right to use the materials with other learner groups.

In no circumstances can any surplus income received from short courses be taken as personal payments in addition to salary, by staff.

6. Knowledge Transfer Partnerships

Knowledge Transfer Partnerships (KTP) are a long established Innovate UK scheme for Knowledge Transfer. The KTP was established to provide businesses with new skills and the latest academic thinking to deliver a specific strategic innovation project with the support of a suitably qualified graduate, known as an Associate. Benefits for College staff include:

- Applying knowledge and expertise to real-world problems.
- Generating valuable research income.
- Identifying new research themes and contributing to the Research Excellence Framework (REF)
- Leading a rewarding and ongoing collaboration with innovative companies requiring research-based expertise to succeed.
- Publishing high quality journals and conference papers.

The average annual knowledge transfer partnership budget is £90k (SMEs contribute 33%, large companies contribute 50%) with the grant being awarded to the College. Innovate UK award the grant and support the application process. Firstly, the application should be approved internally by the KE Exec Group to ensure that the costings, and the College staff member capacity to fulfil their role is permitted. KTP budgets are costed at FEC.

In no circumstances can any surplus income received from KTPs be taken as personal payments in addition to salary, by staff.

7. Financial Appraisal

All commercial knowledge exchange proposals will be financially appraised before being approved in line with the College's financial regulations. This appraisal process will take into account the College's costing procedures, as well as consideration of market conditions, entry into new markets, and fit with knowledge exchange plans. Advice and support on market research, pricing and business development more generally will be available through the Knowledge Exchange Manager. Pricing will be set to maximise return in the market. The price will cover all direct costs associated with a specific project. Decisions about the final charge to be agreed with the client for any specific project rests with the Knowledge Exchange Steering Group.

8. Professional Indemnity, Insurance And Taxation

The College will offer professional indemnity and insurance to a member of staff undertaking commercial knowledge exchange work for external organisations, provided that prior written approval for the work has been granted by the College and that the agreement or contract to undertake the work is between the College and the external organisation.

9. Fee Rates And Pricing

Suggested standard daily rates that may be earned by College staff for consultancy and commercial research work. The FEC rate covers salary, on-costs and indirect/estates costs. The daily rates are designed to cover approximately FEC x3 for private sector clients with a 33% discount on these rates to charities or public sector. Where chargeable rates are lower than this, the rationale should be documented by the Knowledge Exchange Manager.

Grade	Approx. FEC (2020/21)	Public/Third Sector Rate		Private Sector Rate	
		Base Rate	Target Rate	Base Rate	Target Rate
10/Personal	Variable	Variable	Variable	Variable	Variable
9	£265	£398	£500	£530	£750
8b	£230	£345	£450	£460	£675
8a	£210	£315	£400	£420	£600
7	£190	£285	£300	£380	£450

10. Distribution Of Income

In order to incentivise Full-Time and Part-Time staff to engage in knowledge exchange activity and to ensure that both the College and the individual staff members benefit, income will be allocated in the following manner:

Payment to the individual will be made once payment from the client has been received and all other related costs have been met and will be made through the payroll after deduction of PAYE and National Insurance. Please note that all of the cost estimates shown below are for illustration purposes only.

Price

	Days	Fee Day rate (£)	Total (£)
Consultant	4	1,000	4,000
Travel and subsistence costs			300
Total Income (excl VAT)			4,300

Cost

FULL TIME STAFF		Days	Salary Day Rate (£)	Total (£)
	Consultant salary	4	400	1,600
	College Travel and subsistence costs			300
	College Indirect costs			120
	College Estates costs			30
	Total Cost			2,050
	Net Income			2,250
	Individual Share (50%)			1,125
	College Share (50%)			1,125

PART TIME HOURLY PAID STAFF		Days	Day rate (£)	Total (£)
	Price (excl VAT)			4,000
	Net Income			4,000
	Individual Share (80%)			3,200
	College Share (20%)			800

Payments to all staff is subject to tax and national insurance deductions in addition to any pension contributions due.