



# CONSULTANCY POLICY

## **1 Policy Objectives, Benefits and Risks**

### *1.1 Definition*

The University adopts the HEFCE Higher Education-Business and Community Interaction Survey (HE- BCIS) definition of consultancy as:

*“The provision of expert advice and work crucially dependent on a high degree of intellectual input which is for commercial or non-commercial purpose and without the creation of new knowledge. Consultancy may be carried out either by academic staff or by members of staff who are not on academic contracts such as senior university managers or administrative/support staff.”*

Activities that would normally be excluded and considered outside the scope of this policy include:

- External examining (which represents an important educational service);
- Delivering infrequent public lectures or broadcasting (unless the performance of such activities is significant in terms of time and financial income);
- Authorship of books (including chapters or articles) and other learned publications.
- Appointments to research councils and other public appointments, such as to regulatory bodies.

### *1.2 Objectives*

The University recognises the value of academic and research staff undertaking consultancy. In supporting such external activity the University's objectives are:

- To encourage staff participation in consultancies which bring opportunities and benefits to the University, its staff and its clients;
- Ensure that the undertaking of consultancy and related work by members of the University does not interfere with the proper functioning of their duties as academic or research staff;
- Ensure that the benefits of consultancy and related work to the University and its staff are maximised;
- Facilitate and support the delivery of high quality services to meet the needs of clients; and
- Manage all potential risks to the University and its staff.

### *1.3 Benefits to the University*

The benefits that the University expects to accrue from successful consultancies include:

- Development of useful business and academic contacts;
- Extension of the knowledge base, thereby informing the learning and teaching of academic and research staff and providing them with the opportunity to test out and demonstrate the impact of their academic expertise on markets, sponsors or external organisations;
- Increased external stimulus for enriching intellectual activity;
- Greater knowledge of the relationships which exist with companies seeking specialist services;
- Development of possible opportunities for future partnerships (e.g. research projects, studentships, Knowledge Transfer Partnerships, commercialisation

and licensing of Intellectual Property Rights, spin- out companies, high quality Continuing Professional Development);

- Consultancy activities may form the basis of impact case studies for the REF;
- Development of marketing opportunities;
- Financial benefits to the individual and/or University, in the form of additional income and diversification of income sources and from HEIF through returns in the HE-BCI survey;
- Enhanced justification for external funding through the enhanced reporting of consultancy activity; and
- Contribution to staff development.

#### *1.4 Benefits to Staff*

The benefits that members of staff expect to accrue from successful consultancies include:

- Increased recognition of the consultancy work of members of staff through the annual appraisal process and through the standard academic CV;
- strengthened contractual arrangements through use of the University approval process;
- the provision of indemnity insurance to staff through the University's insurance cover;
- The ability for staff (i) to receive a personal payment through the University payroll on the basis of income generated through consultancy and taxed at source; or (ii) to make use of the income generated from the provision of their services to support their research activities through the transfer of funds to a discretionary balance account, rather have the payment be subject to tax and national insurance deductions.

Staff will be encouraged to undertake consultancy through the University rather than privately; see section 3.5.

#### *1.5 Risks*

The University recognises that there are also various risks (both corporate and personal) associated with academic and research staff undertaking consultancy and related activities. In considering approval for such activity the management of the following risks should be addressed:

- Commercial risks - the loss of intellectual property rights and potential tax liabilities;
- Potential use of resources and diversion of staff time from their main academic activities;
- Quality - poor quality work having an adverse impact on the reputation of the member of staff and the University;
- Legal - non-compliance with legislation and other potential liabilities arising from undertaking the consultancy work; and
- Reputational - the University or employee being associated with organisations that could harm the reputation of the University or the individual.

## **2 Regulation, Approval and Types of Consultancy Activity**

### *2.1 Regulations*

Consultancy activities can be separated into two types: those carried out in the University's name (University consultancy) and those undertaken by a member of staff in their own name (private consultancy). In either case:

- The terms and conditions of employment regulate the whether a member of staff may act as a consultant.
- The hours that may be worked and the amount that may be earned through consultancy are defined by the Financial Regulations.

## 2.2 Approval

Currently, according to these terms and conditions, all consultancy activity requires the permission of the Vice-Chancellor or his/her delegate. The Vice Chancellor delegates this permission to of the School Dean or equivalent Senior Manager prior to the commencement of work. Currently staff may normally work up to 30 days per year as a consultant at the discretion of their School Dean or line manager, and earn up to 40% of their annual gross salary.

Approval must also be re-obtained annually for long-term or recurring consultancy arrangements. Once initial approval is granted, it is expected that recurring activity will be approved each year but Deans and Managers must satisfy themselves that the parameters of the work and the impact on the member of staff's core duties are of no greater impact than at the point of initial approval.

Approval to undertake consultancy or related activities should not be unreasonably withheld but in considering any request the Dean or Manager should be satisfied that all appropriate information has been supplied by the member of staff seeking to undertake the consultancy so that the nature and extent of the consultancy can be fully understood to ensure that:

- The work does not impair the satisfactory performance of the normal duties of the member of staff.
- It is not regarded as fulfilling, or substituting for, teaching, research or other duties within the University.
- The activity does not create a conflict of interest for the staff member, for example
  - The member of staff should not have a stake in the client.
  - The client's terms and conditions should not conflict with the member of staff's duties to the institution or other sponsors.
  - There should be no restrictions on academic freedom beyond the scope of the work.
- University resources must not be used without prior approval and without full compensation to the University.
- Activities are recorded where relevant within submissions relating to the University's Enterprise activities, either as supporting information or occasionally directly where permitted, for recognition in the University's research quantum exercises e.g. REF, HEIF, HE- BCIS and HEROBAC.
- The activity is not injurious to the reputation of the University.
- The University is protected from vicarious liability in any legal action arising from outside activities.
- Staff undertaking private consultancy activity are aware that they are responsible for their own tax and NI contributions in relation to any personal fees or expenses they earn or receive from such activity.

## 2.3 Part-Time Staff

This policy and the principles contained herein apply equally to all full-time and part-time staff employed on academic or research terms and conditions at City University London.

However, the University recognises that specific arrangements may be necessary with regard to facilitating consultancy arrangements for part-time academic staff that are proportionate to their work for the University. Such staff are encouraged to discuss appropriate arrangements for undertaking either University or private consultancy and other related work on a case by case basis with their Dean (or equivalent Senior Manager) in accordance with the planning and needs of Schools and Departments. Approval by Deans should not be unreasonably withheld provided the

activity causes no adverse impact for the University and its interests (including those of other staff within their School).

Visiting Staff engaging or wishing to engage in consultancy and other related activities connected with their position or employment at City University London are advised to discuss this with their Head of Department in the first instance.

#### 2.4 *Types of Consultancy*

**University consultancy** is carried out on behalf of the University by its staff acting as employees of the University. The School in which the individual is employed bears full responsibility for ensuring that any obligations with the client or external partner are fulfilled, and consequently must be a party to any contract. The University manages the contractual arrangements and provides liability insurance as appropriate.

**Services Rendered:** In the case where University facilities are used (over and above normal office facilities) as part of the consultancy, then a "Services Rendered" contract will be put in place between the University and the client and managed through the University Research Office in conjunction with the School.

**Private consultancy:** is defined as *'the provision by staff of remunerated services to external organisations in the form of expert advice and/or services on a personal and independent basis'*. Private consultancy should not involve the use of University facilities. Approval is required for private consultancy just as it is for University Consultancy. A request for private consultancy shall be obtained from the Dean using a PC1 form. Once approval for any type of private consultancy activity has been granted, the University claims no responsibility and admits no liability for any contract entered into by the individual: a member of staff acting as a private consultant bears sole personal liability for all aspects of the contract and for declaring the income received to the appropriate authorities. It is expected that this type of consultancy will be secured by personal staff contacts, rather than through relevant University channels and marketing efforts.

#### 2.5 *Incentivisation of University Consultancy*

The University will incentivise University Consultancy over Private Consultancy by:

- Assisting with the negotiation of contracts including aspects of finance and intellectual property as requested and required
- Assisting the member of staff to achieve an appropriate and optimum rate of payment from the client
- Dealing with invoicing and chasing of payments
- Providing liability insurance
- Ensuring prompt payment to the member of staff
- Dealing with tax and National Insurance issues

The University will charge a flat rate of 20% on these services, i.e. a 20% fee will be levied on the total amount invoiced. 10% of this fee will be retained by the University and 10% returned to the Department to support future research activity.

Staff may elect to have the whole or part of their payment made to a personal balance account instead of receiving a personal remuneration. Such payments would not be subject to tax by HMRC. All academic staff are required to make an annual declaration of consultancy undertaken.

<b>Policy Title</b>	
CONSULTANCY POLICY	
<b>Policy Enabling Owner and Department</b>	<b>Responsible for Implementation and Department</b>
RESEARCH & ENTERPRISE OFFICE	RESEARCH & ENTERPRISE OFFICE
<b>Approving Body</b>	<b>Date of Approval</b>
SENATE	MAY 2016
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<b>Publication of Policy</b> ( <i>tick as appropriate</i> )	
For public access online (internet)? <input type="checkbox"/>	For staff access only (intranet)? <input checked="" type="checkbox"/>
<b>Queries about this policy should be referred to</b>	
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