City University London
Consultancy Policy

1 Executive Summary
The Policy defines consultancy as that conforming to the HE-BCI Survey definition, and describes why such activity is beneficial for both staff and the University. The regulation, approval and monitoring of consultancy are described; this includes private consultancy as well as that undertaken on behalf of the University. The policy also describes how the University will incentivise University consultancy over private consultancy.

2 Policy Objectives, Benefits and Risks
2.1 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.

2.2 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 that bring opportunities and benefits to the University, its staff and its clients;
- To 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;
- To ensure that the benefits of consultancy and related work to the University and its staff are maximised;
- To facilitate and support the delivery of high quality services to meet the needs of clients; and
- To manage all potential risks to the University and its staff.
2.3 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);
- Activities that 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.

2.4 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 though the University rather than privately; see section 3.5.

2.5 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.

3 Regulation, Approval and Types of Consultancy Activity

3.1 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 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.

3.2 Approval
Because of the risks to the University in allowing staff to act as consultants, approval and monitoring of this is activity is required.

Currently, according to academic staff terms and conditions of employment, all consultancy activity requires the permission of the Vice-Chancellor (on behalf of Senate) or his/her delegate. The Vice Chancellor delegates this permission to the School Dean or equivalent Senior Manager prior to the commencement of work. For private or university consultancy, the School Dean or line manager may give permission for a member of staff to work up to 30 days per year as a consultant and earn up to 40% of their annual gross salary. Where a University Consultancy project requires a member of staff to work beyond these limits, the Vice-Chancellor’s authorisation is required.

Approval must also be re-obtained annually for long-term or recurring consultancy arrangements. 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.

3.3 **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 Head of Department or 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 or significant risk for the University and its interests (including those of other staff within their School).

3.4 **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. This may form part of the consultancy contract.

**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.

3.5 **Monitoring and Incentivisation of University Consultancy**

At the end of each academic year, all full-time academic staff will be asked to declare any consultancy (university or private) they have undertaken during that academic year.

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 after the client has been invoiced
• Dealing with tax and National Insurance issues

The University will charge a flat rate of 20% for these services. The 20% fee will be levied on the amount that the consultant receives (i.e. after any expenses or other costs have been removed.) Of this 20%:

• Half will be used for supporting research activities in the School.
• The other half will be used to cover the cost of administration, liability insurance, etc. of the University.

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.

4 Operation and Review
This Policy will come into operation on the 1st May 2016 and will be reviewed by ExCo and Senate in the autumn term of 2017.

17 February 2016