



## Institute of Advanced Research *The University for Innovation*

# Consultancy Policy

## 1. Introduction

1.1 The University recognises the value of its staff undertaking consultancy for outside bodies. This work is an important channel through which knowledge and expertise can flow to and from businesses and other external agencies and therefore contributes to the development of growing and productive relationships with these bodies. Consultancy activity within the University is often associated with other contractual relationships, including research, service contracts and in some cases the provision of funds to provide studentships. It is therefore the University's policy to encourage staff to engage in consultancy wherever appropriate and in a manner that is consistent with their contractual responsibilities.

1.2 This policy is intended to provide the information required to undertake consultancy work in accordance with the University's approved procedures.

1.3 University employees should also be aware of the relevant Compliance with the University's financial regulations.

1.4 In line with the University's employment contract, staff shall undertake consultancy, paid or unpaid, work related or non-work related, without the explicit approval of the Head of Department and HR.

## 2. Definitions and Scope of the Policy

2.1 Consultancy:

2.1.1 Consultancy is work of a professional nature, undertaken by University staff in their field of expertise, for clients outside the institution, for which financial return is provided;

2.1.2 Unlike research it does not have as a prime purpose the generation of new knowledge except where the consultancy involves developmental research;

2.1.3 Consultancy will produce some form of contracted output which may be partly or wholly owned by the client as per the consultancy contract;

2.1.4 The University normally does not have freedom of publication over the results of consultancy unless the client agrees for the outcome to be published;

2.1.5 It tends to be governed by short-term contracts and involves extra work for existing staff rather than the employment of new staff except where the contract requires such additional appointments.

2.2 Consultancy for companies owned by the University or in which a member of staff may have an interest are also included within the scope of this document. Staff are advised to ensure that they comply with the University's Conflicts of Interest Policy when undertaking any work for such companies.

2.3 Excluded from the above definitions:

This policy does not apply to those activities, paid or unpaid, which are in furtherance of scholarship or general dissemination of knowledge, such as:

2.3.1 Authorship of, or royalties from, the publication of books;

2.3.2 Service on charitable or voluntary activities;

2.3.3 External examiner duties;

2.3.4 Lecture tours and conference presentations;

2.3.5 Editorship of academic journals or the publication of academic articles;

2.3.6 Professional arts performances.

2.4 Staff should seek advice from their Head of Department or the HR if they are unclear about whether their proposed work constitutes consultancy. Dean (Research and Innovation) will also provide advice where necessary.

### **3. Permitted level of Consultancy**

3.1 University employees are permitted to undertake up to 30 working days consultancy activity per academic year with the approval of their manager and HR.

3.2 In some circumstances the University may authorise staff to undertake further consultancy work outside this limit, but this must be discussed and approved by the HR on a case-by-case basis.

### **4. Approval of Consultancy Activity**

4.1 The decision process for whether an individual is permitted to undertake a piece of consultancy is handled at a Department level. All consultancy proposals should be passed to the appropriate Head of Department in the first instance. The Head of Department will make the

decision to accept or decline the proposal taking into account the University's and Departmental priorities.

4.2 The decision to accept a proposal to undertake consultancy activity is not automatic and factors including other sources of research income, the contribution of the staff member to the University's core activities will be considered.

## **5. Income Distribution**

5.1 University costs including the staff member's salary and overheads identified on the Consultancy Project will be recovered before the following income distribution model is applied.

5.2 The standard income distribution model is based on income per consultancy agreement per financial year.

Consultancy value: Up to Rs10,000 – staff member - 100%; Over Rs10,000 –Staff 70% and University 30%.

5.3 Individuals are not permitted to enter into more than one contract worth less than Rs 5,000 with any one company in any one financial year.

5.4 In any financial year, a total consultancy income of £20,000 per staff member is permissible (after the University's costs are recovered) under the standard distribution model outlined in 5.2, subject to the discretion of the President or the Vice-Chancellor of the University.

5.5 Above this threshold, University will require an alternative distribution arrangement to be implemented or require the activity to be managed under a service contract.

5.6 The Head of Finance will ensure that the statutory deductions for income tax will be made, and staff will receive the net amount.

5.6 Finance Office facilitate this decision by providing Department with quarterly reports of the consultancy income (per financial year) generated by their staff. This information is also circulated to HR for consideration in Performance-Linked Remuneration.

## **6. Costing/Pricing of Consultancy Activity**

6.1 Normally, consultancy activity should be recorded using the full economic costing (FEC). The FEC form provides recommended daily rates for consultancy and only in exceptional circumstances (and with the approval of the President or Vice-Chancellor) should consultancy be undertaken at below this rate.

6.2 The form can be used to determine the consultant's net income (following deductions for University's share, any direct costs, tax). Staff should contact Head of Finance for advice.

6.3 Completed FEC Form should be signed by the PI and approved by the Head of Department and the Head of Finance.

6.4 Some consultancy work, especially where significant University resources are being used (technician time, equipment or IP) may be more appropriately managed under a service contract. This is at the discretion of the President or the Vice-Chancellor and should be discussed with her/him at an early stage in proposal development.

6.5 Where the activity is to be managed under a service contract, the activity should be costed, priced and recorded using a standard HR procedures.

## **7. Contractual Requirements**

7.1 The University is liable for the actions of its employees during work-related consultancy even if the actions or activities are not covered by an agreement involving the University.

7.2 The University, therefore, strictly prohibits staff from entering into work-related consultancy arrangements with outside agencies without approval from their Head of Department and Head of Finance.

7.3 Staff involved in non-work related consultancy must not use the University name to endorse this activity without prior written approval from the Head of Finance. Such activities must be declared in advance to the Head of Finance and HR to ensure that there is no conflict of interest.

7.4 Standard Terms & Conditions:

The University has adopted standard contract terms & conditions and recommends that these are used.

The Head of Department and Head of Finance can authorise and sign off any work that is undertaken under the University's standard terms. A copy of the finalised contract must be forwarded to the Research and Innovation Office, together with the signed FEC. The Research and Innovation Office will record the information for annual Research and Innovation Report.

7.5 Non-Standard Terms & Conditions:

The Head of Finance must be involved in the contract negotiations and will advise the Head of Department on key issues arising from the terms of the contract. Where these issues are considered problematic, approval of the President or the Vice-Chancellor will be sought prior.

Please note: This costing/pricing policy may be subject to major revision from time to time.

7.6 Staff are recommended to involve the Head of Finance in the processing of consultancy as early as possible so that any issues with the contract can be highlighted and, where possible, either resolved or mitigated.

**8. Recording activity**

8.1 All staff are required to record their consultancy activity with the Research and Innovation Office.

8.2 Original copies of the contracts and FEC must be forwarded to the Head of Finance for the University records and for processing.