

UNIVERSITY OF DUNDEE

POLICY ON CONSULTANCY AND SERVICE WORK

Executive Summary

The University encourages academic staff to undertake consultancy and service work in support of knowledge exchange and external collaboration; honorary staff, research staff (i.e. staff employed to work on specific research projects) and students are not permitted to undertake consultancy or service work on behalf of the University. This policy document defines the governance and administrative arrangements for undertaking such work. Consultancy associated with spin-outs, start-ups or appointment as a non-executive or executive director of an external body is not covered by this policy; staff wishing to engage in such activities must contact the Director of Research and Innovation Services (RIS) for guidance before accepting any such work.

All consultancy and service work must go through the University and be governed by a contract signed off by RIS, not least to ensure that insurance cover applies. There is no limit to the amount of time that an academic member of staff may commit to consultancy or service work, subject to prior formal approval.

All consultancy and service work must be priced in conjunction with RIS and, for academic staff, approved by the Dean of School. It is expected that the price of the project usually at least covers the full economic cost of delivery, however, where the price of the work is such that the full economic cost is not recovered, approval must be sought from the Vice-Principal, Academic Planning & Performance. There are different approval processes in this document for senior officers and professional service staff.

Any surplus (i.e. income remaining after the full economic cost of the work has been accounted for) shall be treated as follows:

An amount equivalent to up to 80% of the surplus can be identified for the consultant to spend on approved University activities. This expenditure must be managed as part of the overall School budget. Of the 80%, up to 50% may alternatively be taken as a personal payment subject to approval from the Vice-Principal, Academic Planning & Performance

The above scheme recognizes that consultancy is frequently used as a way of creating a new relationship or building on an existing relationship with a company which has wider academic or financial value to the University and where it is expected that significant future benefit will arise for the University from this relationship.

There must be no conflict of interest in the undertaking of the work (see guidance at <http://www.dundee.ac.uk/pgla/policies/#!c>) and the work must be consistent with the good and upstanding reputation of the University. Staff must also comply with the University's Anti-Bribery Policy Statement available at: <https://www.dundee.ac.uk/corporate-information/anti-bribery-policy>. The undertaking of approved consultancy and service work will be recognized in the University's OSAR, promotion, remuneration and workload planning processes.

The workflow implementing this policy is shown in Appendix 1.

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1. Introduction

The University wishes to encourage academic staff to engage with consultancy and service work commensurate with institutional strategic objectives.

The undertaking of consultancy or service work enriches the University's knowledge exchange activities. Both activities extend the know-how of academic staff to external parties for economic and societal benefit, in line with the University's strategy and as encouraged by government. New and long term strategic collaborations and other opportunities can arise from undertaking such work and it can build confidences with external parties new to collaborative working with the University. It enhances the external profile of the University and provides the opportunity for new insight and skills development of academic staff. It can facilitate impact from the research endeavor and can be a valuable source of income generation.

It is important that the University clearly define the governance and administrative arrangements for undertaking consultancy and service work and this is the purpose of this policy document.

A summary of the workflow to implement this policy is shown in Appendix 1.

2. Eligibility to Undertake Consultancy or Service Work

Only the following full or part-time staff employed by the University may undertake consultancy or service work on behalf of the University:

- academic staff (i.e. professors; readers; senior lecturers; and lecturers); professional service staff

To avoid any misunderstanding the following are not permitted to undertake consultancy or service work on behalf of the University:

- honorary staff; research staff (i.e. a person employed to work on a specific research project or projects); students.

For the purposes of this policy document the term "member of staff" shall mean the full or part-time academic and professional service staff as defined above.

3. Permitted Consultancy and Service Work

A member of staff is only permitted to undertake consultancy and service work through the University and the arrangement for this is defined in this document.¹ Staff are reminded that under the standard conditions of employment a full-time member of staff may not undertake any form of paid employment outwith the University unless prior permission has been granted by the University Court; in such cases the member of staff must not use any University affiliation, e-mail address or University title.

4. Definitions of Consultancy and Service Work

Consultancy is defined as the undertaking of work by the University's academic and professional service staff within their professional areas of expertise while utilizing existing knowledge. Consultancy will

¹The previous institutional arrangement whereby staff could undertake 30 days per annum private consultancy has been removed.

normally be short term and will be directed towards problem solving for an external client. It includes acting as an expert witness.

Service work is defined as (i) testing, evaluations or analytical work utilizing University equipment or facilities, or (ii) the development and/or delivery of training or similar materials for an external client.

The above definitions of consultancy and service work exclude:

- (a) activities which give rise to inventions, new knowledge or technologies or an academic output such as a journal publication - this is deemed to be research;
- (b) activities associated with the core academic endeavor, for example, teaching and related activities, external examining, peer review, conference presentations, contributions to sector level organizations or professional bodies;
- (c) treatment of patients by clinical staff.

These are activities that would be expected to be undertaken as part of an academic member of staff's normal duties on behalf of the University. Additional exclusions may apply and so it is important that staff seek early advice and assistance from their Dean and RIS before proceeding.

5. Time Permitted for Undertaking Consultancy or Service Work

There is no set limit on the maximum amount of time that a member of staff may commit to consultancy or service work, however, each request to undertake consultancy or service work must be approved in accordance with the provisions of section 7 below.

6. Criteria for Assessment of Proposals

Section 7 below describes the approval processes for consultancy and service work proposals. The following assessment criteria will be employed by these processes:

- (a) the degree to which the project is consistent with the good and upstanding reputation of the University;
- (b) the extent to which the project will help achieve the strategic objectives of the School, or University;
- (c) the full economic cost of the project (section 10 refers) and the proposed price to be charged, which will be informed by market conditions and the benefits to the University of undertaking the project;
- (d) the number of days to be committed to the project and the dates of undertaking;
- (e) other professional work commitments of the member of staff during the period of the project;
- (f) any conflicts of interest (section 15 refers), and in particular whether or not the member of staff has any interests, financial or otherwise, in the external party commissioning the project or any other body or individual associated with it.

Additional criteria for assessing a proposed consultancy project:

- (a) the proposed internal distribution of expected surplus income, including any personal payments (section 11 refers);
- (b) the significance of a new relationship with a company and the value it can bring to the University;
- (c) current and other proposed consultancy commitments of the member of staff and associated income, including any personal payments;

- (d) the level of income, including the surplus available for sharing within the School (section 11 refers) and personal payments, derived from the member of staff's consultancy activities during the preceding 12 months.

Additional criteria for assessing a proposed service work project:

- (a) extent of use of University equipment or facilities and any issues arising;
- (b) current and other proposed service work commitments of the member of staff and associated income;
- (c) the level of income derived from the member of staff's service work activities during the preceding 12 months.

7. Approvals

Note: it is only necessary to refer to the section below which refers to your particular circumstance.

7.1 Academic Staff

A member of staff wishing to undertake consultancy or service work must discuss the proposed project with his/her Dean as early as possible and prior to any commitment of undertaking. It is the responsibility of the Dean to review such a request utilizing the relevant criteria stated in section 6 above.

Subject to the Dean receiving sufficient information in response to the criteria stated in section 6, and the full economic cost being recovered (section 10 refers), the Dean will make a decision on whether or not the proposed consultancy or service work project can proceed. Where the price of the work is such that the full economic cost is not recovered, or a personal payment is being requested (section 11 refers), approval must also be sought from the Vice-Principal, Academic Planning & Performance.

Should the member of staff disagree with a decision of the Dean to not support the proposed consultancy or service work project, he/she may submit an appeal to the Vice-Principal, Academic Planning & Performance. This must be submitted in writing and within 20 working days of receipt of the decision of the Dean. The decision of the Vice-Principal, Academic Planning & Performance, will be final.

Deans will at all times remain accountable to the Vice-Principal, Academic Planning & Performance, for the approvals of consultancies as described above.

7.2 Senior Officers – University Secretary, Deans, Vice-Principals, Principal

Senior officers of the University hold full-time leadership roles within the University and normally it would not be expected that they would undertake consultancy or service work unless there is a particular institutional level advantage; in such cases the matter should be discussed with the Principal or, in the case of the Principal, the Chair of the University Court.

7.3 Professional Service Staff

Professional service staff hold administrative and other specialized support roles within the University and normally it would not be expected that they would undertake consultancy or service work unless there is a particular institutional level advantage.

7.3.1 All Staff Apart from Directors of Professional Services, School Managers or the University Secretary

Where there is a request for a member of professional service staff to undertake consultancy or service work this must be discussed with his/her Director or School Manager as early as possible and prior to any commitment of undertaking. It is the responsibility of the Director or School Manager to review such a request utilizing the relevant criteria stated in section 6 above.

Should the Director or School Manager support the proposed undertaking of consultancy or service work he/she shall discuss the matter with the University Secretary who shall make the decision on whether or not the proposed consultancy or service work can proceed.

7.3.2 Directors of Professional Services and School Managers

A Director of a Professional Service or School Manager wishing to undertake consultancy or service work must discuss the proposed project with the University Secretary as early as possible and prior to any commitment of undertaking. It is the responsibility of the University Secretary to review such a request, utilizing the relevant criteria stated in section 6 above, and make the decision on whether or not the proposed consultancy or service work can proceed.

8. Reporting to the University's Remuneration Committee

RIS shall maintain records of all consultancy and service work approvals and undertakings, and shall be required to report on levels of consultancy and service work activity across the University.

A report on consultancy and service work undertaken and governed by this policy will be prepared in conjunction with Finance and submitted annually to the University's Remuneration Committee. This will include, by School and professional service, details of the number of collaborations entered into, price charged and income distribution.

9. Withdrawal of Approval

Approvals granted under section 7 may be withdrawn at any time should it be judged by the University that a particular circumstance requires such action. The Principal will make the decision on withdrawal, informed by the views of the relevant Dean, or the University Secretary with respect to professional service staff, and the terms of contract governing the consultancy or service work project in question.

If a consultancy or service work undertaking is entered into by a member of staff without the necessary approvals as stated in this policy, the member of staff may be subject to disciplinary proceedings. The University disclaims all liabilities in circumstances where work is undertaken for an external party without prior institutional approval.

10. Costing and Pricing

The expectation is that the University will charge a commercial rate for any consultancy undertaken. The rate charged shall be determined in consultation with RIS and all costs must be fully covered. The cost figures below are the minimum daily rates (based on full economic cost²) which should be charged by academic staff for consultancy and will be used to determine what surplus will be available for sharing within the School (section 11 refers). These cost figures will be reviewed annually by Finance and must be checked before pricing each new consultancy. Professional service staff should consult RIS who will liaise with Finance to determine the minimum daily rate.

	Daily Cost		Daily Cost
Academic Grade 7	£375	Professor Life Sciences & Medicine	£700
Academic Grade 8	£415	Professor Non-medical	£600
Senior Academic Grade 9	£475		

Costing and pricing must be agreed with RIS prior to any contract governing consultancy or service work being entered into. Cost calculations and pricing proposals are also required for the purposes of section 7 'Approvals'. Cost calculations and pricing decisions will take into account market conditions, the potential for future overhead bearing funding, contribution to the University's Research and Wider Impact objectives, VAT liability, and for personal payment any additional national insurance and pension contributions. For service work they will also include Estates costs and other direct costs associated with the work such as consumables.

11. Income Distribution

11.1 Consultancy

Surplus shall normally be shared as follows:

- Up to 80% of the surplus income to the member of staff who undertook the consultancy to be spent contributing to approved University activities (e.g. the research activities of that member of staff and/or their research group): this expenditure must be managed as part of the overall School budget;
- At least 20% of the surplus income will remain in the relevant School or Directorate.

Out of the 80%, up to 50% of the payment to the member of staff may alternatively be taken as a personal payment subject to approval from the Vice-Principal, Academic Planning & Performance (in cases where the approval process comes under section 7.1); Principal (in cases where the approval process comes under section 7.2); University Secretary (in cases where the approval process comes under section 7.3.1 or 7.3.2); Chair of Court in the case of the Principal.

² As consultancy does not usually involve extensive use of University facilities the full economic cost does not include Estates costs. These rates should not therefore be used for service work, the costing and pricing of which should be agreed with RIS.

A worked example of the distribution of consultancy income is provided below:

An academic (Grade 8) is offered 3 days work at £900 per day (excluding VAT and expenses).

Total income to be invoiced (net of VAT) £2,700

Cost of the work (based on table 10 above) £1,245

Surplus available for sharing £1,455

Therefore the fee will normally be split as follows:

School £1,536 (being £1,245 covering the cost of the 3 days work plus 20% of £1,455)

Academic £1,164 (being 80% of £1,455)

The arrangements for sharing of income must be agreed in accordance with the provisions of sections 6 and 7 and prior to signature of the contract entering the University into the consultancy arrangement. A range of factors will be taken into account in deciding on the level of any personal payment to be made to a member of staff, including the level of personal earnings derived by the individual from consultancy activities during the 12 months ending on completion of the proposed consultancy.

The personal payment amount calculated above will be the cost including employer on-costs and before employee salary deductions. Personal payments will normally be made in line with the University's payroll procedures and will be subject to any necessary deductions including for Income Tax, National Insurance and pension contributions; any request for a variation to this arrangement must be discussed with the Director of Finance. Personal payments will not be made until funds have been received from the external party commissioning the consultancy.

11.2 Service Work

Income derived from service work will be handled in the same way as research income. A cost centre will be established on behalf of the member of staff undertaking the work to hold the project funds. Indirect cost recovery along with any surplus income above this will accrue to the relevant School or Directorate. No personal payments will be made for service work.

12. Administrative and Contracting Procedure

All consultancy and service work undertakings must be governed by contract entered into by the University, not least to ensure that matters related to institutional liability are managed effectively. The University seeks to utilize standard contractual terms wherever possible for governance purposes and in order to reduce time spent on negotiation and to help expedite quick sign-off.

RIS is responsible for preparing, negotiating and signing off all consultancy and service work contracts and such agreements will include provision for matters such as intellectual property ownership and confidentiality. RIS will ensure that the signing of a consultancy or service work contract does not put the University in breach of any existing contractual obligations to 3rd parties. Staff undertaking consultancy or service work must contact RIS at an early stage to discuss contractual requirements and to subsequently

understand the terms of contract that have been entered into by the University and to avoid breach of such terms.

Invoicing for the provision of consultancy and service work will be expedited by the Finance Office.

13. Impact

Within 1 month of completion of a consultancy or service work project the member of staff having undertaken the work is requested to submit a short report (maximum 250 words) to RIS on the nature and impact of the project. Where permitted under contract (commercial in confidence restrictions may apply in some circumstances) this text may be entered into the public domain by the University to demonstrate societal and economic impact. RIS may seek to ensure that contracts governing consultancy or service work incorporate this provision.

14. Recognition

Given the value that the University places on the undertaking of consultancy and service work this contribution by staff will be recognized in the University's OSAR, promotion, probation, remuneration and workload planning processes.

15. Conflicts of Interest

- (a) There must be no conflict of interest in a member of staff's undertaking of consultancy or service work and his/her professional responsibilities and duties within the University. The University has prepared guidelines and rules to help individuals assess whether or not proposed activities could cause a conflict of interest, and to outline the procedure for disclosure of any perceived or potential conflict (<http://www.dundee.ac.uk/pgla/policies/#!c>).
- (b) External funders of activities within the University, or government or other agencies controlling those funders, may impose additional requirements in relation to conflicts of interest. Members of staff with current or potential future links to such funders must familiarize themselves and comply with any such requirements in addition to the policy rules established by the University.
- (c) Application to undertake consultancy or service work will require the member of staff concerned to declare any conflict of interest before permission will be granted. Disclosure should be made in accordance with the guidelines available at: <http://www.dundee.ac.uk/pgla/policies/#!c>.
- (d) It is the duty of all employees to disclose any actual or potential conflict of interest. Failure to disclose a conflict of interest may result in disciplinary action.
- (e) A record of all declarations made shall be maintained centrally. In addition to declarations made, from time to time, records shall be updated and members of staff may be required to provide updated information on request.
- (f) If a conflict of interest has been disclosed, the individual concerned shall discuss a possible resolution with the University Secretary. Any unresolved matter shall be referred to the Audit Committee for advice and in cases of particular difficulty, the matter shall be referred to the Court.

16. Public Good and Anti-Corruption

- (a) The acceptance of funding for the undertaking of consultancy or service work must be consistent with the good and upstanding reputation of the University. Such funding must not be accepted from external parties whose activities are judged counter to the public good, unethical, immoral or associated with serious ill health. The acceptance of funding from the tobacco industry or sources related to the tobacco industry is explicitly not permitted.
- (b) Staff undertaking consultancy or service work must at all times comply with the University's Anti-Bribery Policy Statement (<https://www.dundee.ac.uk/corporate-information/anti-bribery-policy>).

17. Insurance

Subject to the provisions of this policy being adhered to staff undertaking consultancy or service work will be covered by the University's professional indemnity and public liability insurances.

18. Dates of Approval of this Policy

This policy was approved by Senate on 14/10/2015 and approved by Court on 26/10/2015.

19. Interpretation of this Policy

If there is uncertainty around the interpretation of this policy, or how it is applied to a particular scenario, advice should be sought from RIS.

Appendix 1

Workflow for Consultancy and Service Work

