



UCL

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**University College London**

**Academic Consultancy**

**Updated September 2014**

## 1. Policy & Principles

1.1. Consultancy is the provision of remunerated services to clients in the form of expert advice or assistance with problem solving, which draws on or applies the consultant's knowledge base and experience. Academic staff at UCL are allowed and encouraged to undertake consultancy where this:

- delivers benefits to primary purpose activities (teaching or research);
- advances the professional development of the academic staff involved;
- promotes the reputation of UCL as a place of education, scholarship and research.

Consultancy is recognised to facilitate Knowledge Exchange as set out in Excellence and the UCL community: a shared endeavour. Further clarification on what is defined as consultancy is given in Annex D, Q1.

1.2. Within UCL's financial year (Aug-July), academics are permitted to undertake a maximum of 40 days consultancy work which requires time away from UCL duties, on days when an individual would be expected to attend work at UCL. Permission to undertake such consultancy work will be subject to their Head of Department's (HoD's) approval as set out below. Part time academic staff may undertake consultancy up to a pro rata limit on total consultancy time, unless this conflicts with any specific contractual terms of their appointment. This "40-day" rule does not apply to consultancies that are carried out during private time (which may include evenings, weekends, holiday leave or UCL closure days) although these must still be declared and approved. Exceptions to the "40-day" rule may be allowed in circumstances of exceptional benefit to UCL with approval of the Dean. Non-academic staff are not normally eligible to undertake any consultancy within normal working hours.

1.3. There are two permitted modes for undertaking remunerated consultancy:

- a. UCL consultancies: where the contractual relationship is between the client and UCL Consultants Ltd (a separate limited company that is wholly owned by UCL), not the individual member of academic staff. UCL Consultants Ltd (UCLC) is liable to the client in case of problems with the project. Under this mode, individual staff members are covered by UCLC's insurance, and may use UCL's resources to carry out the project. Only UCL consultancies provide a direct financial return to the Department and UCL through the donation of the profits made by UCLC to the department and UCL. The Procedure for carrying out UCL Consultancies, given in Annex B, must be followed. UCL encourages consultancy to be undertaken through this route as it ensures appropriate risk management.
- b. Private consultancies: where the contractual relationship is between the individual member of academic staff, personally, and the client. The member of academic staff acts entirely in a private capacity without use of UCL resources. In this case, academic staff are personally liable for any problems with the consultancy project which arise. The Procedure for carrying out Private Consultancies, given in Annex C, must be followed.

Note: consultancy work may also be carried out through UCL as part of a staff member's regular employment, for which they would receive no additional remuneration.

- 1.4. All consultancies must be declared to and approved by the relevant HoD (or in the case of HoDs, by their Deans, and for Deans and Vice-Provosts, by the Provost), to ensure management of conflicts of interests or time commitments that arise, and to ensure that consultancy is undertaken through the proper procedures. Guidance on declaration and approval is described in Annex A. The member of academic staff undertaking the consultancy is responsible for ensuring each consultancy is declared and approved.
- 1.5. Any consultancy work which involves the use of UCL's resources (including name, stationery, meeting rooms, computers, facilities, technicians or IP) must be undertaken as a UCL consultancy via UCLC. Use of such resources must be charged for at their full economic cost.
- 1.6. Consultants may choose to donate their fee income to UCL and this is encouraged; under these circumstances the consultancy is still subject to this policy and the donation must be carried out as described in the relevant procedures as given in Annexes B and C to ensure compliance with HMRC regulations.

## **2. Annexe A: Consultancy Declaration and Approval System**

- 2.1. The Head of Department (HoD) must approve all consultancies before the project commences. In cases where the consultant is a Head of Department, Dean or Vice-Provost, application for approval should be made respectively to the Dean or Provost.
- 2.2. It is necessary that the number of days academics conduct consultancy work, either privately or via UCLC, is recorded (via a Consultancy Approval Form) and assurances are provided that ensure appropriate procedures have been carried out. In any cases of academic staff consultants exceeding the "40-day" rule or non-academic research staff carrying out consultancy work, a record of Dean's (or Head of Professional Services Division's) approval is required. These records should be held in the Department by the HoD (or in the case of the consultant being a HoD, by the approver as detailed above).
- 2.3. The consultant is also required to declare the consultancy on their annual [Declaration of Interests Return](#).

## **3. Annexe B: Procedure for carrying out UCL consultancies via UCL Consultants Ltd**

- 3.1. UCL Consultants Ltd (UCLC) was formed, as a UCL wholly owned independent company, to facilitate academic staff undertaking consultancy work. As with most UCL subsidiary companies, all profits are gift-aided back to UCL each year. In the case of UCLC, any profits are shared between UCL and academic departments (pro rata to the turnover attributable to academics in a particular Department).
- 3.2. From a legal perspective:
  - the academic staff member signs a consultancy agreement with UCLC for each piece of consultancy work undertaken, together with a Budget Approval Form and, if appropriate, an Income Waiver ;
  - the consultant is liable to UCLC for the proper performance of the consultancy work pursuant to the consultancy agreement;

- the work is being undertaken by UCLC who take on the liability as regards the client (as well as handling all legal and financial aspects of the relationship with the client).

3.3. UCLC will:

- Assist with costing and pricing of the consultant's fees;
- Provide contractual services to protect the financial and academic interest of UCL and the consultant;
- Prepare and issue invoices and collect payment;
- Arrange payment of consultant's fees to the individual;
- Ensure departments are reimbursed for costs incurred, and donation of profit and waived fees;
- Issue financial reports on accounts as/when necessary;
- Issue annual statement for taxation purposes;
- Provide Professional Indemnity cover for consultancy projects
- If any UCL resources are used to undertake the consultancy, the project must be channelled through UCLC. Examples of such UCL resources are UCL staff, equipment, facilities, expertise and IP.

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3.5. Staff wishing to undertake UCL consultancies should contact UCLC directly at: UCL Consultants Ltd, The Network Building, 97 Tottenham Court Road, London, W1T 4TP. Tel: +44 (0)207 679 9796, Fax: +44 (0)207 679 9799, Email: [info@uclconsultants.com](mailto:info@uclconsultants.com), Website: <http://www.uclconsultants.com>

3.6. Consultants should ensure that all contracts and paperwork is in place with UCLC before they embark on consultancy projects.

## 4. Annexe C: Procedure for carrying out Private Consultancies

4.1. Private consultancies are where the individual acts entirely in a private (personal) capacity. The client contracts directly with the consultant, therefore the client has no legal link to UCL and UCL has no legal liability to the client, and this must be made clear using a Disclaimer of Liability letter signed between him/her and the client. In private consultancies, the consultant is personally liable for any problems that arise with the consultancy project.

4.2. In line with other consultancies, the individual must gain approval from their HoD (or appropriate person for HoDs and Deans) before commencing a project.

4.3. The consultant must not use any UCL address (mailing or email) in any communication with the client nor make use of any UCL resources (staff, equipment, facilities) in the course of the consultancy or do anything that might lead the client to believe that the consultant is acting in his/her UCL capacity (e.g. by using UCL headed notepaper, UCL email address etc). The consultant may say that he/she is employed by UCL, since this is a simple matter of fact.

4.4. In summary, UCL does NOT permit the following in relation to any private consultancy work undertaken:

- use of UCL facilities e.g. equipment, support staff or space etc;
- use of UCL's name or stationery;

- holding meetings on UCL's property, as this may be interpreted as an association with UCL and UCL's tacit approval of the consultancy services;
- 4.5. UCL may own certain IP generated by members of staff in the course of their duties at UCL. In such circumstances, consultants acting in a private capacity cannot, as part of any agreement they sign with UCL Consultants or a client, license or transfer/assign any rights in any UCL IP (since they do not own that IP).
- 4.6. Most consultancy projects will involve the use of previously generated IPR ("Background IPR"). It is the consultant's responsibility to ensure that he/she owns and has the right to license any Background IPR. Consultants should not agree to any private consultancy contract which contains clauses which attempt to transfer/assign ownership of any Background IPR.
- 4.7. Background IPR may be owned by UCL and/or may be subject to third party terms (e.g. as part of a sponsored research project). In such instances the client should be told that it may be possible to have access to such IPR under licence from UCL and/or with the necessary permission from the third party concerned. Where a licence from UCL is required, the consultancy will need to be undertaken as a UCL consultancy through UCLC.
- 4.8. Consultants should ensure that they own any Foreground IPR generated and that they are entitled to transfer/assign or license the rights in such Foreground IPR. Consultants should avoid licensing or transferring/assigning any IPR beyond the scope of the project.
- 4.9. In a private consultancy, it is the consultant's responsibility to:
- negotiate his/her terms and conditions with the client.
  - inform the client, using a Disclaimer of Liability letter, that there is no contractual relationship with UCL and therefore no liability on UCL for the work being undertaken.
  - collect the fees from the client. Fees from a private consultancy or private professional practice must not be paid directly by the client into a UCL discretionary account. However, the consultant can make a charitable donation into a UCL account under gift aid via [DARO](#);
  - account for his/her income tax, national insurance, VAT or any other taxes due to the appropriate tax authorities on amounts earned;
  - consider carefully the risks involved and where appropriate obtain adequate professional indemnity cover through personal insurance arrangements.

## 5. Annexe D: FAQs

### **What is consultancy? What is within the scope of the consultancy policy? What is not?**

Consultancy is the provision of remunerated services to external clients in the form of expert advice or assistance with problem solving, which draws on or applies the consultant's knowledge base and experience.

Consultancy assignments sometimes extend to work beyond the giving of advice. For example, in Engineering the assignments may include appropriate testing work, which may involve design of new tests or adaptation of existing ones and may require the use of support staff or facilities. In Computing, the main deliverable may be provided as original software rather than advisory reports. In such cases the ownership and use of intellectual property rights (inventions, designs, software, etc.) needs careful consideration in the contract.

Often, there can be 'grey' areas over what is defined and determined as 'research' and what is 'consultancy'. There are also times when a proposal or contract will contain elements of both research and consultancy. In general, consultancy activity differs from Research in that it:

- is usually short term in nature i.e. less than three months in duration;
- does not have as its primary purpose the generation of new knowledge;
- is undertaken by existing members of staff in departments rather than by specifically recruited staff as often occurs in research.

All projects undertaken via UCLC are assessed by Research Services and where appropriate recorded as research for external reporting purposes.

The following are not normally considered as consultancy:

- Clinical private practice

Private work involving patients is not covered by this policy and those carrying out clinical private practice should refer to the [UCL Policy on Private Practice for Personal Gain \(PPPG\)](#). Staff in medical departments may also carry out conventional consultancies which are subject to this Policy.

- Private Professional Practice

Practice, may also occur. This work is normally done under two appointments, which involve apportioning of normal work time and salary costs between UCL and another organisation. Such professional practice should be done entirely in non-UCL time, and UCL's name, stationery, support staff or facilities, should not be used.

Where staff are engaged full time on UCL duties, private practice work within UCL time is regarded as conventional consultancy and is subject to this Policy.

- External Scholarly Work

This category of outside work is closely linked to the academic role and purpose. Although it may involve payment of modest fees by an external organisation, any contractual arrangements are usually made directly with the staff member (not UCL). Examples of scholarly work include participation in external assessment procedures (e.g. QAA, REF) carried out for national bodies; professional activities (e.g. membership of committees in national institutes, Research Councils, UK Government Departments or EU, and work on editorial boards of professional Journals). External examining for another HEI, whether paid or unpaid, is regarded as an educational service within normal Departmental duties. External activities should be recorded in the Declaration of Interests system (See Annex A).

Consultancy work may also be carried out through UCL as part of a staff member's regular employment, for which they would receive no additional remuneration. Such work is outside the scope of this policy.

### **What happens with research projects incorporating consultancy services?**

Occasionally a research sponsor may require technical contributions from an academic, which are over and above the normal project supervisory duties. This would normally be the subject of a separate consultancy agreement arranged by UCLC; staff in UCLC and the Research Contracts team in Research Services can advise you on the procedures in these circumstances.

### **Can I do consultancy if I am in the UK on a visa?**

If you are on a working visa you should contact [HR](#) for advice before undertaking any consultancy, as this may violate the terms of your visa.

### **Why must consultancy be declared and approved?**

Departments should record the number of days academics conduct consultancy work, either privately or via UCLC: see Annex A.

The pressures on HEIs from Government and other external agencies for greater public accountability in the use of financial and human resources have increased in recent years and are likely to become more formalised in future. Approval and recording of consultancy activity is therefore essential to:

- To allow potential REF Impact case studies to be identified;
- Enable Heads of Department to ensure that both private and UCL consultancy activity undertaken by staff accords with the departmental strategy and UCL policy, and does not give rise to immediate or potential future conflicts of interest within the staff member's terms of employment. (See also UCL's Declaration of Interest Policy);
- Prevent uncontrolled or inadvertent transfer of UCL Intellectual Property to a client;
- Ensure proper insurance cover for the protection of individuals and UCL to identify unduly high risk projects for special insurance cover
- Enable UCL to meet formal monitoring and reporting requirements, both current and future requirements as they are introduced by Government or Government agencies (e.g. HESA's Higher Education Business and Community Interaction Survey);
- Ensure that UCL can comply with the current terms of the Financial Memorandum between itself and HEFCE. This Memorandum applies to all HEIs in receipt of HEFCE funds and, inter alia, requires HEIs to estimate the institutional costs incurred in performance of all externally sponsored work including research, consultancy (including private consultancy) and other services rendered; and to recover such costs out of the overall price charged to external clients unless the institution considers it appropriate to do otherwise having regard to the circumstances of the particular case;
- With respect to consultancy, it is important to identify the likely benefits to teaching, research and/or professional development arising from the consultancy as these are the main justifications for UCL not seeking to recover the base line employment cost from fee income;
- The Memorandum also places a duty on the institution to be responsible for delivering value for money from public funds and to appoint audit committees to oversee the system of financial and other management controls required by HEFCE, including those for consultancy

work. HEFCE has its own audit section for evaluating the internal financial control arrangements in institutions;

- Ensure that an appropriate price is charged for Consultancy. This is achieved as part of the approval process with the HoD. Note that although costing usefully informs pricing policy, the price charged for a consultancy is a reflection of what the market will bear and should normally exceed the base line employment costs of UCL by a substantial margin. UCLC have experience in negotiating the consultant's fee and can usually achieve higher rates;
- Provide a record of contacts which will benefit the individual, the Department and the College.

### **I have mentioned my consultancy on my annual declaration of interests - isn't that sufficient?**

Each instance of consultancy must be declared and approved to the HoD before it occurs to ensure proper procedures are adhered to, and time commitments and conflicts of interest managed.

### **How do I manage conflicts of interest?**

Academic staff and HoDs should consider any potential or actual conflicts of interests prior to HoD approval of any consultancy projects. Conflict can arise particularly in consultancies set up with start-up companies in which the consultant may have a shareholding or other personal interest.

Further details can be found in [UCL's Declaration of Interest Policy](#). All consultancies must be declared on [UCL's Declaration of Interests system](#).

### **Under what circumstances would an exception to the "40-day" rule be permitted?**

Where a consultancy project is seen to be of exceptional benefit to UCL eg in facilitating the impact of research, or enhancing the reputation of the institution, an exception to the "40-day " time limit may be granted, under the following circumstances:

- with approval from the relevant HoD and Dean, who will seek assurance that the work of the Department and the load on the consultant's colleagues are not compromised;
- the project is undertaken through UCLC and;
- the consultant takes a maximum of 50% of the personal fees received for any work exceeding the allowable 40 days.

### **How can my consultancy benefit UCL financially?**

Consultancy projects run through UCLC benefit UCL financially.

UCLC takes a small share of the consultants' fees to cover its running costs, and thus requires no UCL funding. All its profits are gifted back to UCL, 50% going to UCL centrally and 50% to the departments involved, on a proportional basis to their activity.

Consultants may also choose to donate their fee income to UCL and this is encouraged; the donation must be carried out as described in the relevant procedures as given in Annexes B and C to ensure compliance with HMRC regulations.



### **Can non-academic staff undertake consultancy?**

Within normal working hours (unless their contract has a specific exception), non-academic staff, e.g. research fellows, research assistants, professional, technical, computer and clerical staff, are not normally eligible to undertake any consultancy. Non-academic staff may work on consultancy projects (led by an academic as the consultant and arranged via UCL Consultants) within normal working hours and without additional remuneration, as long as the department recovers the full economic cost of their time within the project budget and their HoD is satisfied this does not conflict with their other time commitments. Indeed, some Departments have set up special groups or units to interface with external clients for consultancy, training and other services, and some of the staff appointed to such units are dedicated to externally-funded work, including provision of consultancy services. In cases of exceptional benefit to UCL, non-academic staff may be allowed to lead consultancy and take fees if it is deemed that the staff member is of sufficient seniority and/or experience to carry the responsibility of a consultancy project and the following conditions are met:

- approval from the relevant HoD and Dean/Head of Professional Services Division, who will seek assurance that the work of the Department and the load on the consultant's colleagues are not compromised;
- the project is undertaken through UCLC.

Non-academic staff consultancies that are carried out during private time (which may include evenings, weekends, holiday leave or UCL closure days) are not subject to the above conditions, but must still follow the Procedure for Private Consultancies as set out in Annex C, and be declared using the annual Declaration of Interests Return.

Regulation of student consultancy is outside the scope of this policy.

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