



# Consultancy Policy

## (Research and Enterprise)

### Contents

<u>Consultancy Policy (Research and Enterprise)</u> .....	1
<u>Scope</u> .....	2
<u>Introduction</u> .....	2
<u>Policy and Procedure</u> .....	3
<u>Glossary of terms</u> .....	3
<u>Further clarification</u> .....	6
<u>Appendix 1- Private Consultancy Declaration Form</u> .....	7

### Document Control

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<b>Triggers for ad hoc review:</b> Creation of a conflict of interest policy	

### Overview of Scope

This policy applies to all academic, academic related research and academic support staff who wish to undertake consultancy (University or Private) and sets out the parameters by which this activity can be undertaken

**Related policies, procedures, guidelines, regulations, forms, templates**

[Staff terms and conditions of service](#)

**Internal policies/ procedures superseded by this document**

Consultancy Policy (Research and Enterprise) V1  
August 2017

**Policy effectiveness measures/KPIs**

Increase in the number of University Consultancies logged on AMS  
Increase in cost recovery of University Consultancy

## Scope

### What this document covers

This policy applies to all academic staff, academic related staff, research staff and academic support staff (henceforth to be referred to as 'Staff').

The policy covers both University and Private Consultancy (see Glossary for definition). There are restrictions on who can undertake University Consultancy. For further information see the Consultancy Frequently asked questions.

The Research and Enterprise Office ([RAS-Research-Enterprise@open.ac.uk](mailto:RAS-Research-Enterprise@open.ac.uk)) should be contacted with any queries relating to scope of this policy.

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### What this document does not cover

External scholarly work that closely links to the academic role, even those which involve payment of a small fee, is not covered by this policy. Examples include, but are not limited to, participation in external assessment procedures (e.g. QAA, REF, Funder selection), work on editorial boards, reviewing scholarly outputs, external examination for another HEI and legal expert witness.

Engagement of external consultants is governed by the Engagement of Consultants Policy (HRP002)

## Introduction

The Open University's Consultancy Policy (Research and Enterprise) details the procedures and conditions under which consultancy undertaken by staff can be carried out.

Consultancy is an important element of the University's enterprise and knowledge exchange activities and is actively encouraged by the University. Consultancy has many benefits for both the individual and the University including: income generation, opportunities for external collaboration, personal and professional development, enhanced reputation of the University, and contribution to the University's knowledge transfer endeavors including economic and social impact criteria linked to the REF.

As consultancy carries with it an element of risk to the individual, the University and its reputation, therefore the University is keen to encourage and support its staff to engage in consultancy in a regulated manner. The Research and Enterprise Office are available to support and advise staff looking to engage in Consultancy

The objective of this policy is to define private and university consultancy, explain the processes by which these are internally approved and minimise potential risks.

# Policy and Procedure

## 1. Glossary of terms

- 1.1 **Consultancy** is defined as the provision of expert advice and work, which while it may involve a high degree of analysis, measurement or testing, is crucially dependent on a high degree of intellectual input from the organisation to the client (commercial or non-commercial) without the creation of new knowledge<sup>1</sup>
- 1.2 **Private Consultancy** is a direct arrangement between the individual acting in a personal capacity and a third party which is set-up and managed directly by the individual as permitted by their terms and conditions of employment.
- 1.3 **University Consultancy** is an arrangement between the University and a third party which may involve a member of staff/research student and use of University facilities and other resources in the provision of the consultancy services.

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## 2. University Consultancy

- 2.1 University Consultancy is an arrangement between the University and a third party which may involve a member of staff, research student or University facilities and other resources in the provision of the consultancy services.
- 2.2 Staff must discuss the proposed consultancy with the Head of Unit (or delegate) before the consultancy work is initiated and time allocation approved as per local workload approval mechanisms.
- 2.3 Cases shall be prepared and approved through the University's Awards Management System (AMS) with the exception of some external work contracted through the BDU or wholly-owned subsidiaries (e.g. FutureLearn).
- 2.4 The University's name, facilities (offices, laboratories, equipment, meeting rooms etc.) and IT infrastructure (e-mail and internet access) may be used for University Consultancy.
- 2.5 Staff members participating in the work will be covered by the University's professional indemnity insurance.
- 2.6 Business development and other support services (e.g. costing and pricing, contracts) will be provided by the University (either within the relevant Unit or centrally from RAS and other appropriate units).
- 2.7 The expectation is that University Consultancy contracts will as a minimum be priced to cover the Full Economic Cost (FEC) and will normally include a commercial premium in addition. Pricing guidance is available online<sup>2</sup> or can be provided by your Unit Accountant or Faculty Business Support Manager. Any decision to price the consultancy less than FEC must be approved by the Executive Dean (or delegate) in line with the University pricing matrix<sup>3</sup>,

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<sup>1</sup> Definition from Higher Education Statistic Agency (HESA): [https://www.hesa.ac.uk/collection/c17032/hebc\\_i\\_b\\_table\\_2](https://www.hesa.ac.uk/collection/c17032/hebc_i_b_table_2)

<sup>2</sup><http://intranet6.open.ac.uk/finance/main/projects-and-research/research-inc-eu-research/full-economic-costing>

<sup>3</sup><http://intranet6.open.ac.uk/finance/main/sites/intranet6.open.ac.uk.finance.main/files/files/ecms/policies-and-procedures/a/Approvals-Matrix.pdf>

- 2.8 Consultancy income will be paid by the contractor directly to the University and transferred to the School (or equivalent unit) that generated the income.
  - 2.9 To ensure University IP is protected and risks are managed, a consultancy agreement must be in place before work can commence.
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### **3. Private Consultancy**

- 3.1 Private Consultancy is a direct arrangement between the individual acting in a personal capacity and a third party.
- 3.2 Staff may undertake private consultancy as permitted under their Terms and Conditions of service<sup>4</sup>. Members of staff must notify their Head of Unit (or delegate) or other individual as per their relevant Terms and Conditions of Service. of the private consultancy in order to gain approval and ensure that (i) potential conflicts of interest are identified and addressed as necessary and (ii) time commitments to Extra-Curricular Work can be monitored.
- 3.3 The relevant Terms and Conditions of Service set out circumstances in which prior approval rather than notification is required.
- 3.4 A Private Consultancy Declaration Form (Appendix 1) should be completed and sent to Head of Unit (or delegate) for approval prior to commencing the consultancy. Approval is valid for one academic year. Records of private consultancy will be kept by the Unit (e.g. Local research support teams).
- 3.5 To avoid Private Consultancy being construed by the client as the consultant acting on behalf of the University, the University name, reputation or brand should not be associated any aspect of the consultancy.
- 3.6 University facilities (e.g. space, equipment, consumables and support services) and IT infrastructure (e.g. University email accounts) cannot be used to support Private Consultancy. The activity should not be incorporated into unit workload planning, incentives or promotion plans.
- 3.7 The individual concerned is responsible for arranging their own professional indemnity insurance, invoicing, payments, tax obligations, VAT and national insurance requirements.
- 3.8 Full-time academics are only permitted to undertake Private Consultancy at the University where this consultancy work is based within a unit other than their own.

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<sup>4</sup><http://intranet6.open.ac.uk/human-resources/policies-and-procedures?path=t/terms-and-conditions#documents>

#### 4. Summary of procedures

	University Consultancy	Private Consultancy
Permission required (Head of Unit or equivalent)	Yes	Yes*
Indemnity Insurance	University policy	Personal cover required
Use of University name or facilities	Yes	No
Permitted working days	Subject to employment contract and in agreement with Head of Unit	None
Admin support (contracts, invoicing etc.)	Yes	No
Managed on AMS	Yes	No

\*Private Consultancy Declaration Form required

#### 5. Conflict of interest

- 5.1 Conflicts of interest may arise where (i) an individual providing consultancy has interests which might affect or be seen to affect the objectivity or professional judgement of the consultant or (ii) where the proposed Private Consultancy is in direct conflict with the interests of the University.
- 5.2 All members of staff are expected to disclose potential conflicts of interest so that they can be adequately evaluated and managed.
- 5.3 The term conflict of interest includes conflicts of duty, commitment, rights, obligations, time and interest whether as an individual or as a representative of the University be it inside or outside the University. Examples might include:
- Staff possess a significant financial interest in the activity that involves their responsibilities as a University employee.
  - Professional or personal links to an organisation which is in competition with the client or the University.
  - An existing collaborative research project with the client in a similar area.
  - A personal involvement in any company which has a contractual relationship with the University or is in the process of negotiating a contract with the University.
  - Consultancy with a third party in which a member of staff (or family member) has a significant financial interest including equity and revenue shares.
  - Serving in an advisory or executive position in an organisation where the University has direct research links.

## Further clarification

If you have any queries around the content provided within this document and how to interpret it, please contact [Ras-Research-Enterprise@open.ac.uk](mailto:Ras-Research-Enterprise@open.ac.uk)

If you have any comments about this policy document and how it might be improved, please submit these to [RAS-Research-Enterprise@open.ac.uk](mailto:RAS-Research-Enterprise@open.ac.uk).

## Appendix 1- Private Consultancy Declaration Form

<b>Name of Member of</b>	[Type text]	<b>Date:</b>	[Type text]
<b>Job Title:</b>	[Type text]	<b>Employee</b>	[Type text]
<b>Department:</b>	[Type text]	<b>Unit:</b>	[Type text]
<b>Name and address of</b>	[Type text]	<b>N° Days of planned activity:</b>	[Type text]
<b>N° Days private consultancy undertaken in current financial year:</b>	[Type text]		
<b>Total N° Days of all Extra-Curricular Work in the</b>	[Type text]		
<b>Start Date &amp; End Date of Consultancy:</b>	[Type text]		

**Summary details of the proposed consultancy:** [Type text]

*(Specific details of private consultancies are not required, but sufficient information must be provided to assess any potential conflict of interest. It is also important to be able to inform the client that your employer is aware of the proposed consultancy and has not raised any issues of objection)*

### Declaration

I the undersigned understand that the proposed Private Consultancy is a private arrangement between me and my client and implies no involvement and liability by The Open University. I understand that I may not use the University's name, IT infrastructure, facilities, address, logo, reputation or brand as part of the consultancy. This work will not impact normal day to day work duties. The client understands that work is being done outside of University commitments, is not covered by the University's professional indemnity insurance and that the University has no liability for this work. I understand that I am responsible for the negotiation and execution of contractual terms, invoicing, payments, tax obligations, VAT and national insurance requirements as applicable with my client.

Name [Type text]

Date [Type text]

Signature.....

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### Approval

Name [Type text]

Date: [Type text]

Signature.....

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Additional Notes: [Type text]

Please ensure that this form is returned to your Faculty administrator and a copy sent to [RAS-Research-Enterprise@open.ac.uk](mailto:RAS-Research-Enterprise@open.ac.uk)