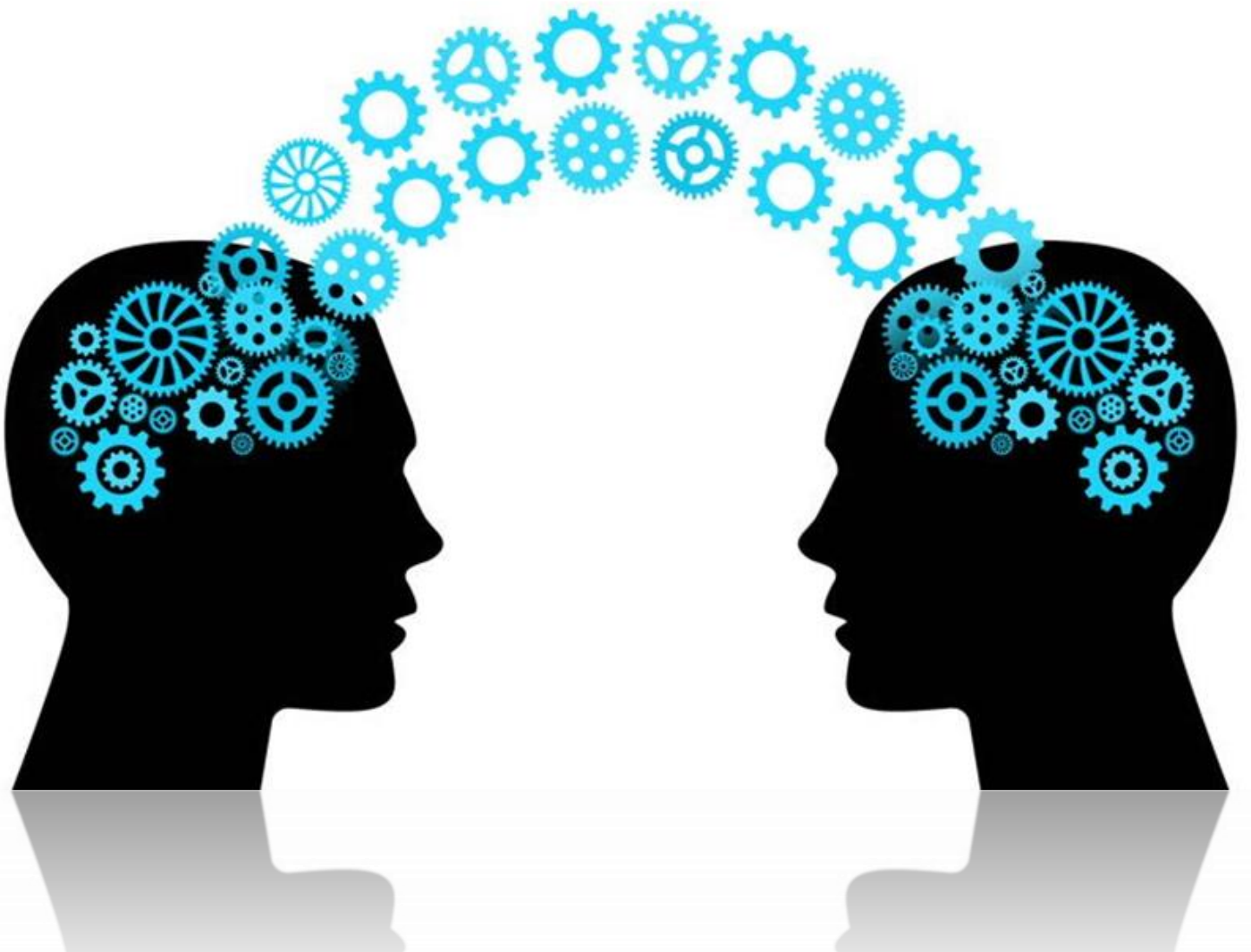




UNIVERSITY OF  
BIRMINGHAM

ENTERPRISE

# Guide to Academic Consultancy



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# I. WHAT IS ACADEMIC CONSULTANCY?

Academic Consultancy can be defined as the provision of *advice* or *services*, to a client, usually in return for a sum of money. Consultancy is normally provided in the form of expert advice or assistance which draws on or applies an individual's knowledge and experience.

It is important to understand the distinction between *consultancy* and *research*\* when setting up a project or collaboration with an external organisation. The table below highlights the main aspects that are attributed to consultancy and research:

Consultancy	Research
<ul style="list-style-type: none"><li>• Usually short-term in nature</li><li>• Remunerated on a commercial basis</li><li>• Not intended to develop new IP</li><li>• Solving challenges for companies or other academic institutions</li><li>• Considered as external to work carried out as part of University duties</li></ul>	<ul style="list-style-type: none"><li>• Longer term collaborations/project</li><li>• Funded through grants by funding bodies or by industry</li><li>• Primary purpose is the generation of new knowledge</li><li>• Can be an original investigation based on existing phenomena/facts (Basic and Applied), or producing additional research based on knowledge gained from existing research (Experimental)</li></ul>

A “consultant” from a university can be any academic, from Professor to PhD student, or a staff member such as a lab technician or a project officer in a school/college.

At the University of Birmingham there are two different types of consultancies that are undertaken:

- Academic Consultancy

This is a project carried out by an academic on behalf of a client under the '30-day rule' and is governed by Appendix 7 (Outside Activities) to the academic conditions of employment (as further explained in this document); with the financial benefit accruing to the individual academic(s).

- University Consultancy

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\* Some research collaborations can include a consultancy element i.e., work required outside the scope of research.

This refers to projects which involve consultancies carried out by the University, with the financial benefit accruing to the University. This includes studies (e.g. policy evaluations) carried out for a client. As these are carried out in the name of, and for the benefit of, the University, the contracts for this class of consultancy should be negotiated by the central Research Contracts Office in the same way as contracts for research projects.

The aim of this Guide is to explain the framework that the University has in place for Academic Consultancy and to assist academics with making an informed decision on the choices before them.

## 2. WHY SHOULD I ENGAGE IN ACADEMIC CONSULTANCY?

The University encourages academic members of staff to undertake external consultancy projects in order to strengthen relationships with industry, potentially leading to new research collaborations and other opportunities.

The motivations and benefits of carrying out academic consultancy include:



Academic Consultancy is not just an opportunity to build relationships, generate income and improve pre-existing intellectual property, but can also lead to real societal and economic impact across the world.

### 3. WHAT ARE THE DIFFERENT TYPES OF ACADEMIC CONSULTANCY?

Academic Consultancy opportunities are varied and some of the work that your colleagues at the University undertake includes:

- Membership of scientific advisory boards
- Providing advice to companies on their proprietary technology
- Speaker engagements
- Expert witness testimony in legal cases
- Review and advice on Government strategy and policy
- Clinical trial design and steering committee membership
- Consulting on licensed IP
- Delivering training courses and workshops
- Fact checking of television programme scripts
- Literature reviews

This list is by no means exhaustive and you can seek advice from the Academic Consultancy Services team at University of Birmingham Enterprise as to whether an opportunity is academic consultancy or not.

### 4. WHAT ARE THE UNIVERSITY'S POLICIES ON ACADEMIC CONSULTANCY?

Within each financial year (Aug-July), you are permitted to undertake a maximum of 30 days consultancy work which requires time away from University duties, on days when you would otherwise be expected to attend work at the University. (Part-time staff have 30 days pro rata, such time to be used only within the University component of their part-time engagement).

Appendix 7 of the Conditions of Employment governs Outside Activities which includes consultancy and can be accessed via the following link:

<https://intranet.birmingham.ac.uk/hr/documents/public/conditions/academic-activities-a7.pdf>

To assist with the interpretation of Appendix 7, HR has issued a supplementary Guidelines document concerning Outside Activities which is available online at:

[Outside Activities Guidelines.docx \(sharepoint.com\)](#)

If you wish to engage in Academic Consultancy then there are two permitted routes:

- The University's preferred mode for academics to undertake work is via the Academic Consultancy Service at the University of Birmingham Enterprise.

It offers a number of key services which makes it easier for you to undertake a consultancy project and ensures that you are protected every step of the way. The procedure for carrying out Academic Consultancy via University of Birmingham Enterprise is given below.

- Alternatively, you may work in a purely private capacity, independently of the University and University of Birmingham Enterprise, and this means that you will be wholly responsible for the work and are personally liable for any problems that may arise. The procedure for carrying out Private Academic Consultancies is also given below.

## Declaration & Approval System

All consultancies (whether done via University of Birmingham Enterprise or privately) must be declared to your Head of School/College/Institute and approved by them in advance of any agreements being signed with third parties. This is to ensure management of conflicts of interest or time commitments that may arise, and to ensure that the work is undertaken via the correct procedures. It is your responsibility to ensure that you have declared the proposed work to your line manager and have the required permissions in place before the work can begin.

The Application to Undertake Outside Work form can be found online under 'appropriate form' in section 1 of the Guidelines on Outside Activities:

[Outside Activities Guidelines.docx \(sharepoint.com\)](#)

### How do I manage conflicts of interest?

Consideration should be given to any immediate or potential conflicts of interest before an Application to Undertake Outside Work is made and further details can be found on the HR website at:

<https://intranet.birmingham.ac.uk/hr/employment/conflict/interest.aspx>

## 5. WHAT SERVICES WILL UNIVERSITY OF BIRMINGHAM ENTERPRISE LIMITED PROVIDE?

University of Birmingham Enterprise (UoBE) is the University's preferred vehicle for you to undertake consultancy work and will provide the following services to you:

**Commercial Negotiation:** UoBE will seek to achieve the best consultancy fee rate possible. We will advise you on the appropriate fee rate to be used depending upon a number of variables, including the type of work that is proposed, the number of days expected to be used, the size of the client organisation, the location where the work will be completed, or your seniority/experience. It is advisable to not discuss a fee rate with the client before you have discussed the project with UoBE, as they will be able to advise on the appropriate rate to charge. In addition, where appropriate, expenses are usually included within any contract.

**Contracting Negotiation:** To protect the interests of both you and the University, UoBE will always be the contracting party with the client and will ensure the contractual terms adhere to the University's risk policy and protect any pre-existing intellectual property and know-how.

**Provision of professional indemnity insurance:** By choosing UoBE to manage your consultancy project you will automatically access the University's professional liability and indemnity insurance. This will protect you against any claim for breach of contract and/or negligence that may be made against you. This cover remains in place for the six years that a negligence claim may be made against you after the end of the consultancy.

**Invoicing and credit control:** UoBE will carry out all invoicing on behalf of the academic. We will invoice the contracted amount, including where applicable, any expenses that require reimbursement. We can issue invoices on contractual milestones, when services have been completed, or on an 'ad hoc' basis at the academic's request. We can provide an electronic timesheet that academics can access via a unique link, enabling them to record all the services (including dates and times) that have been provided to the client. We will then invoice the client using this information.

**Distribution of funds:** UoBE will arrange for your consultancy fees to be paid to you via your chosen method (see 'Payment Information' below for further information), providing advice on the different payment methods, and what to consider when making your choice.

**Use of University name:** As the University will be entering into a contract on behalf of the academic, the University will grant the use of its name in association with the consultancy project.

**Guidance and Advice:** The ACS Team is very experienced, having managed hundreds of consultancy contracts. So we will be able to provide comprehensive guidance and advice on anything you need to know when setting up your consultancy project.

## Our Fees

To protect the charitable status of the University, University of Birmingham Enterprise is obliged under charity law to charge a fee (15%) for the use of the 'charitable' assets of the University, and to remain a sustainable subsidiary of the University. Any profits that UoBE make are gifted back to the University.

Where possible we aim to discuss fees with academics as early as possible as this gives us an opportunity to add our fee to the remuneration the academic would like to receive. This means the client is effectively paying our fee rather than it being deducted from the academic's remuneration.

We deduct our 15% fee once fees have been collected from the client and before making payment to the academic concerned

## 6. GETTING SET UP WITH UNIVERSITY OF BIRMINGHAM ENTERPRISE LIMITED

If you would like University of Birmingham Enterprise to act as your intermediary or would like to explore options/gain advice before doing so, then please get in touch with a member of the team (see contact details below on page 12) either by email or phone. The subject of academic consultancy can often seem daunting, and you may receive an opportunity that you don't know how to handle. If this is the case, then you're welcome to have an initial discussion with a member of the team.

If you have a potential consultancy project it is advisable to alert us to an opportunity as early as possible to give us enough time to negotiate the contract on your behalf, and ensure you get the best possible commercial terms.

Once you are happy to proceed then you will usually be asked to complete a **Contract Information Form (CIF)** which captures the information. This helps us to make contact with the client concerned, to identify any aspects that require further discussion, and for us to draft an agreement. The CIF will be issued via DocuSign to your email for you to complete. Once completed it will be automatically returned to us to begin the next steps of the project set-up.

Should you believe that any protectable intellectual property will be created from a consultancy then please discuss this with University of Birmingham Enterprise at the point of instruction. Irrespective of whether consultancy is conducted through the University or privately, any intellectual property generated by members of staff during consulting activities remains the property of the University unless explicitly covered by special conditions (agreed by your College). This is because, although you may be engaged in private consultancy, you remain in the University's employment while you are doing it, and rights in intellectual property created during the course of employment are vested in the employer, not the employee. A royalty share on resulting intellectual property can – subject to negotiation – be drafted into the contract when that is signed.



## 7. PAYMENT INFORMATION

### Distribution Method

There are different ways in which you can receive personal payment and you will be asked to choose which you prefer at the outset:

**Self-Employed Income (Schedule D):** UoBE will invoice the client on your behalf and when we receive payment, it be distributed directly to your bank account. You will be responsible for your own tax return, and should make an appropriate declaration to HMRC via a self-assessment return. To make a Schedule D distribution, the academic must be added to the CORE system. A supplier form will be issued for the academic to provide banking details and be set up on the CORE system (one time only). For each separate payment a purchase order is then issued to an academic along with an invoice template to complete. This will be checked by us before issuing payment.

**Payroll Income (Schedule E):** UoBE will invoice the client and once payment is received, we will make a net payment to you via the University payroll system. All tax will be deducted at source - including Employer's National Insurance, Employee's National Insurance and PAYE.

**Payment to a research account:** UoBE can direct payment to a designated research account within your school. Please note this is dependent upon your College rules concerning such accounts. If you wish to explore whether you can receive payment into a research account then please discuss it with your School accountant before contacting UoBE. To distribute payment to a research account we will ask for a 5-segment code that has been allocated to the chosen account.

You should also consider that any income generated from a consultancy activity counts towards the VAT registration threshold of £85,000 per annum. Should you be liable to be VAT registered or consider you might be liable, you should notify UoBE immediately upon commencement as this will need to be reflected in the VAT invoicing between the Parties.

### Payment Terms

University of Birmingham Enterprise will only make payment to you when it has received settlement on its own invoices to the client concerned. Standard payment terms from clients are within 30 days but please be aware that some will pay on 45, 60 or 90 days. Please note that the beginning of the month is the cut-off date for all payments to be made in that month and any payments received or instructions given after the cut-off date will automatically be made at the end of the following month. University of Birmingham Enterprise will let you know when funds have been received from the client.

## Intercompany Transfer

There will often be consultancy projects in which the University of Birmingham is contracted with an external party, or an organisation will only contract with the University as the academic's employer rather than with UoBE. We can still manage the distribution of the funds to the academic via their chosen means by carrying out an 'intercompany transfer'. We will request the 5-segment account code that holds the funds and distribute the funds to the academic(s). Our 15% management fee is applied to any transactions.

## 8. SERVICE AND FACILITY ACCESS AGREEMENTS

The University of Birmingham possesses a vast array of world-class research equipment, including highly specialised facilities that many organisations do not have. Many of these facilities provide access for commercial use, as well providing analytical or material production services. UoBE can manage the contracting and invoicing for any of these services.

Where the use of School facilities and equipment is required the costs will be calculated by the School/College/Institute accountant. These costs must be calculated before submitting the request to undertake outside activities to the Head of School/College/Institute. The cost of using University facilities and equipment during a consultancy project must be repaid to the University and, if you use the services of UoBE, it will arrange this on your behalf by ensuring that the correct charge has been made to the Client. Costs to consider include:

- the cost of consumables
- the cost of facilities including the cost of utilities such as electricity
- a charge for equipment time used and staff time at a consulting rate

## 9. CONSULTING TO SPIN-OUT COMPANIES

A spin-out company is an independent limited company in which the University has a shareholding and which is based on or has the right to use intellectual property that is owned by the University.

If you are a *founder* of a University of Birmingham spin-out company, then UoBE will put in place a consultancy agreement for you to consult into the spin out company. An agreement will be put in place for an initial period of 12 months during which UoBE will waive its management charge. After the 12-month period the consultancy agreement can be renewed with the applicable management charge, and with any amendments the spin-out or the academic requires to the terms.

If you not a founder of a spin out, but wish to provide consultancy to one, then this will be considered a standard consultancy project with the normal procedures and charges applied.

## 10. OPERATING DIVISIONS

UoBE also offers a service to academics who wish to provide larger-scale services to external parties or would like to test the commercial potential of their service with the aim of launching a spin-out company. UoBE offers a solution in the form of 'Operating Divisions' ("OD") which can present itself like a separate commercial entity while not being its own legal entity. It removes the risk and associated costs when setting up a private company as UoBE would be the legal contracting body with any third party, and each OD has a nominated account within which financial transactions are undertaken. Funds may be generated from and spent (subject to sufficient funds being held on account) on the agreed business of the OD.

ODs provide a quick and simple solution for academics wishing to undertake their consultancy and related activities by:

- Enabling them to concentrate on finding customers and get trading quickly without the distraction of setting up a new business
- Allowing time to find the best place that the technology or service could have in the market, and explore suitable options for the business
- Keeping all options open while gaining market exposure, enabling time to consider the commitment they wish to give to the business, and the role they want to play in it
- Providing flexibility to find the best route to commercialisation – potentially leading to spinning out of the University as a company

For further information on Operating Divisions, or if you would like to request the OD guidance and application form, please contact the Head of Academic Consultancy Services on the details below.

## 11. PROCEDURE FOR UNDERTAKING PRIVATE CONSULTANCIES

Private consultancies occur when an individual doesn't wish to use the services of University of Birmingham Enterprise. This approach involves an individual acting in an entirely private capacity, with them negotiating and personally signing the contract. As the individual has elected not to use UoBE's services then the client has no link to the University and the University has no legal responsibility for the work that is undertaken. This must be made clear via the Disclaimer of Liability letter that is required to be sent to the organisation paying for the service. The Disclaimer of Liability letter can be found here in section 9 of the guidance to outside activities:

If you choose to consult privately then you need to be aware that you will be personally liable for any problems or negligence claims that arise with the consultancy project. You will need to take out your own professional indemnity insurance and ensure that cover is in place for six years after the completion of the contract as this is the period in which a client may still legally make a negligence claim against you. You must also ensure not use the University name use any University-branded images, email, documents or paper in communications with the client.

As with consultancies organised via UoBE, you must secure permission from your Head of School/College/Institute. Academics acting in a private capacity cannot licence or transfer/assign any rights in any University intellectual property as it remains owned by the employer and not the employee.

## 12. CONTACT INFORMATION

Should you have any further questions concerning undertaking academic consultancy then please contact:

Vincent Coole  
Head of Academic Consultancy Services  
University of Birmingham Enterprise Limited  
[v.coole@bham.ac.uk](mailto:v.coole@bham.ac.uk)

For general enquiries please contact [info@enterprise.bham.ac.uk](mailto:info@enterprise.bham.ac.uk).