A Guide to Individual and Private Consultancy

Business Development Team
Business and Innovation Services (DBIS)

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## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Content</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Overview of the Individual Consultancy Process</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Enquiries and Communication</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Risk</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Legal</td>
<td>16</td>
</tr>
<tr>
<td>6</td>
<td>Consultancy Work Considerations</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>Project Management</td>
<td>23</td>
</tr>
<tr>
<td>8</td>
<td>Finance</td>
<td>26</td>
</tr>
<tr>
<td>9</td>
<td>Analytical Services</td>
<td>28</td>
</tr>
<tr>
<td>10</td>
<td>Reference</td>
<td>29</td>
</tr>
</tbody>
</table>
1 Introduction
Consultancy supports the University’s work alongside the research and teaching activities and is classed as any opportunity for the University to undertake work that can generate extra income – for both the University itself and the person carrying out the consultancy work.

The University recognises several types of consultancy undertaken by its staff:

- Consultancy work undertaken in the University’s name by individual members of staff
- Consultancy undertaken by individual members of staff at the University in their own name i.e. private consultancy
- Consultancy work undertaken by consultancy units in or related to academic departments e.g. Archaeology, Maths and Statistics, CEM centre
- An academic or group of academics responding on behalf of the University to an external tender
- The commercial use of University equipment and facilities e.g. analytical services

This guide has been developed to help employees of the University who are involved in individual or private consultancy work, or are about to embark on individual or private consultancy to help navigate some of the issues that are associated with this type of work.

Risks to the University and to employees have been shown to be reduced when consultancy is managed through the University. Risks normally experienced in this line of work include over committing of staff time, loss of intellectual property, legal liability and conflicts affecting support by funding bodies.

Importantly research shows that when the University is involved with facilitating consultancy work from an early stage the customer satisfaction levels are typically higher when the project comes to a close.

In the past the support given to University staff was delivered by a department called REDSS (Regional Economic Development Support Services), which later became BaRD (Business and Regional Development). Through a restructuring exercise BaRD merged into DBIS (Durham Business and Innovation Services) and now delivers the majority of the support detailed within this document. Financial management (invoicing and payment) has now been devolved to the Finance Department (see page 6 for contact details). However, responsibility for the end-to-end service remains with DBIS. For convenience the part of the team within DBIS responsible for supporting consultancy within the university will be referred to solely as ‘DBIS’ throughout this guide. The relevant contact details can be found in this document as well as on the university website.

The content of this document is not to be taken as prescriptive. DBIS is here to help reduce the amount of time and effort required to successfully manage a project from cradle to grave. We welcome feedback on the Guidance and will update it on a regular basis.
2 Overview of the Individual Consultancy Process

![Diagram of the Individual Consultancy Process]

Figure 1: Individual Consultancy Process Overview

2.1 What is Consultancy?
Consultancy is understood to be

“...the provision of expert advice and work which, while it may involve a degree of analysis, measurement or testing, is crucially dependant on a high degree of intellectual input from the HEI to business. Such work is usually paid for at a market rate, and may deliver stronger IP rights to the business client than would apply in a collaborative research relationship.”

Consultancy is carried out for clients who include small and large Businesses, Public Sector Organisations (e.g. Councils, NHS Trusts) and other non-commercial organisations and includes work for university spin outs, charities and clients outside the UK.
Examples:

- Being retained by a client to provide expert advice on an on-going basis – including client visits
- Analysing and reviewing clients’ data/technology to verify or suggest improvements e.g. design optimisation
- Working with clients directly to identify issues and potential solutions through business reviews and workshops
- Developing and leading field activities both for knowledge transfer and data gathering
- Participation as contributors (on or off screen) in TV productions
- Acting as an expert witness in either commercial or criminal cases
- Acting as a subcontractor on a commercial contract/bid by another organisation

So if:

- The work is not original i.e. the work does not generate new knowledge
- It is based on existing expertise and IP
- No new IP will be created through the activity

It is probably Consultancy and can be delivered in two different ways, under the banner of Durham University as individual consultancy or as a private individual.

Please click here to view the Durham University consultancy policy.

2.2 What experience can you expect from DBIS?

We feel that similar principals should apply to providing support to University Staff as would be applied to dealing with external clients, namely:

- Staff will be treated in a professional and confidential manner
- All internal queries or requests for help will be dealt with promptly
- DBIS will maintain systems so that we can support you efficiently and effectively at all times as well as being accessible – we’ll come and see you if that’s more convenient
- We will provide guidance to help staff service external business clients in a clear and timely manner
- We will provide accurate, up to date and practical advice on how to proceed with delivering consultancy projects effectively and professionally
- We will support staff to develop clear proposals to help win contracts
2.3 How and when to contact DBIS
Please contact us as soon as you are approached about potential consultancy work.

Key contacts:

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<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Email</th>
<th>Phone</th>
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<tbody>
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<td>Dr Jennifer Thompson</td>
<td>Head of Business Engagement Team</td>
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</tr>
</tbody>
</table>

Mailboxes:  
- analytical.services@durham.ac.uk [External or internal analytical services enquires]  
- consultancy.help@durham.ac.uk [Internal consultancy support]

We are happy to come and meet you in your office or lab if that is more convenient.

Intranet click here  
Internet click here

Come and talk to us – we’re based at Mountjoy Centre– Maple Wing (First floor).  
Click here (number 45 on this map)
2.4 How do I start a Consultancy Project?

There are several key elements that should be considered when a consultancy-based project is being considered.

All of the items below are detailed in other sections, but an overview is given here.

Pricing of the work is an important factor as individual consultancy must be undertaken as a commercial activity and it is against EU state aid regulations to “subsidise” clients by charging less than typical market rates.

Contracts need to be put in place formally – when you start working as though a contract exists, you are contracted. When the documentation is not in place the situation can become confused and the clarity that is gained from having an agreement for a ‘set of promises’ is invaluable. This upfront work can save a lot of hassle and difficulties later on if any problems should arise.

Risk Management is an important area. As a potential project starts to form and take shape, the opportunity should be critically evaluated and a decision made as to whether it should be undertaken or not.

Conflict of interest needs to be considered to make sure that there are no serious impacts from doing the work for the University (or you).

In some cases intellectual property may be generated by the project. Determining who will own it once the project has been completed needs to be decided before a project starts. A commercial perspective should also be undertaken in order to manage the contract and ensure that the work is carried out in a way that achieves the desired benefit for all concerned (the client, you and the University). This might include press coverage as well as making a profit.

Please ensure that the right person with delegated authority is signing off any paperwork requirements as required e.g. the only person authorised to sign consultancy contracts at the University is the Treasurer.

When dialogue with a potential client commences this is a good place to start talking with DBIS. We have supported many consultancy projects and we can help the whole process to run smoothly, especially if we are involved from start to finish!
2.5 What level of service does the University provide to businesses?
Durham University delivers a range of business services and we pride ourselves on delivering a world class experience to our clients. To do this we need to commit to our clients a standard of experience that they should expect.

Business clients should expect from the University:

- Delivery of professional and confidential services to help our clients achieve their objectives
- All enquiries to be dealt with promptly
- A single point of contact who will manage the service from cradle to grave
- A clear assessment of business needs and provision of a clear proposal based on this information
- Access to accurate information and impartial advice, including signposting to other external services that may be able to help
- A clear outline of proposed services and their timescale for delivery. This includes a commitment to honour appointments and deadlines, and to keep clients informed about exceptional circumstances

It is important to understand client expectations and reflect this in the way that we work. This will include the courtesy, sensitivity and confidentiality that we would expect ourselves.
3 Enquiries and Communication

3.1 UNIS – Project Management System
The UNIS (UNIS4NE Information System) is a web-based enquiry and project management system which supports the consultancy process. This allows us to centrally track and record progress of all enquiries and consultancy projects.

3.2 External Enquiries
When an enquiry reaches the University from an external source it will be passed on to a relevant contact in a department, or a known consultant.

If you have an area that you would like to be considered for then please make sure that it is included in your consultant profile on the website.

If you receive an enquiry that has come directly to you please let DBIS know and we can help you progress and contract appropriately. If an enquiry is one that you cannot deal with then please let us know and we will help to find the right consultant to deliver the work.

When a positive response is sent to a client we will let you know when we hear back from the client. If you don’t hear from us that will be because there has been no response from the client. The client may contact you directly and if they do please keep DBIS in the loop.

3.3 Communication
Considering how the client wishes to be communicated with during the life of the project can make the delivery of a project differ from being OK to exceptional.

The issue of internal communication through the staff delivering the project should also be considered. The how, what and when factors of communication can support the smooth delivery of a project.
4 Risk
There are some considerations that need to take place before undertaking consultancy work.

We have navigated these issues before successfully and it is our job to help others through these now familiar paths.

The following pages will help to provide information that can make this process easier.

If at any point these items seem daunting then please speak to DBIS.

4.1 What are the Boundaries?
The University is supportive of Consultancy activities but keen to ensure that they continue to underpin its overall objectives. When considering an opportunity to get involved in consultancy work it is important to respect the following:

- Work that is priced below Full Economic Cost (fEC) needs to be approved by the Treasurer/Dean of Faculty before being done
- Collaboration with Newcastle University needs to be approved by the Pro-Vice-Chancellor (PVC) for Research
- Is the work consultancy? If you are unsure please come and speak to us
- Authorisation for external consultancy work through the Individual Consultancy scheme is subject to review every 12 months
- Individual consultancy work is limited to 24 days per year for most members of staff

If external sub-contracting is involved in delivering the Consultancy work then the sub-contract will be subject to procurement processes depending on the scope of the work. Standard terms and conditions for procuring Consultancy support can be found on the Procurement website [click here](#).

Local norms for how Consultancy is managed have evolved in some Departments so check whether or not these exist before proceeding too far.

Consultancy work should be considered in the same way as any other University work. Ethics need to be considered. Does this work fit in with the University’s overall policy and aims?
4.2 **How do I Manage Risks?**
Before commencing a project a (brief) risk assessment should be undertaken. This section provides guidance in this area.

Factors to consider

- Human involvement (ethics)
- The Client organisation (financial stability, ethical standards)
- Size of contract
- Delivery capacity
- Previous work with the client and/or issues from past work
- Commercial and consultant risks
- Health and Safety
- Reputation – market risks for both consultant and institution
- Exclusivity agreements – proceed with caution if this is mentioned

The rest of the information in this section provides information to help with the risk identification and risk management for the project.

4.3 **Ability to Pay**
We generally have a good record of getting paid and we want to keep it that way. There are a number of ways to get information on this issue.

- Reviewing the company website can allow you to check their scope of activity, to make sure that this falls in line with information that you have about them.
- Consistency is a good sign when it comes to payment!
- FAME (Financial Analysis Made Easy) accessed via University Library databases.
- Companies House also provides information about an organisation that you might find useful in determining any risks associated with stability and their ability to pay.

Please let us know if you wish to review a company with respect to being able to pay.

If we have some concerns then we can adjust the payment schedule to mitigate these concerns.
4.4 Determining an Organisation’s SME Status

When working with a Small to Medium sized Enterprise (SME) it is often necessary to ensure their status. This is especially the case with projects that attract funding.

To determine the status a good initial check is to consider the following SME characteristics:

- Less than 250 employees
- An annual turnover of less than 50 million Euros
- No more than 25% owned by a non-SME or small enterprise

This definition is the standard definition and there are some exceptions. Please speak to DBIS if you are in any doubt about the status of the organisation that you wish to work with.

4.5 Risk Evaluations Tools

To provide more practical guidance we provide a detailed checklist (see Reference Section page 29) to help make the process of evaluating a business more tangible.

The key is to consider the risks (what could go wrong and what the consequences would be) rather than getting bogged down in detail. Risk evaluation should be part of the general process of pulling a proposal together rather than treated as a separate activity.

4.6 Human Participants on an Experimental Basis

If there is going to be work conducted that involves human participants there is a separate checklist that we recommend that you use. It can be found in the reference section (page 29) and helps ensure that all the elements that could cause problems down the line are considered up front.

Elements include gaining consent, police checks and ethics. The safe storage of personal information needs to be considered – to ensure that the storage complies with any requirements both from the University and from the client.

4.7 Conflicts of Interest

With the expanding range of opportunities available to University employees comes the issue of conflicts of interest. There is the potential for damage to the University if such conflicts appear in the media, and it is therefore in the interest of both parties to announce any potential conflicts of interest at the outset of any work. A conflict of interest can be defined as ‘a conflict between the private interests and the official responsibilities of a person in a position of trust’.

In many cases the potential perceived conflict can be easily managed, and this will be dependent upon the scope of the work and the political risks associated with the work. For example, by appointing a supporting officer to a project who is independent, the conflict / risk potential can be reduced in size. This appropriate ‘management’ activity will be flagged up in
the early stages of proposal consideration and features in the checklist (see page 29) that is recommended for use.

4.8 Private versus Individual
Transparency through the consultancy process helps to avoid problems during the project’s life. Should any conflicts of interest have been determined at the outset there is often a decision to be made as to whether the work should be carried out in a private capacity, or as individual University consultancy work.

The flow chart on the next page shows some of the thinking that needs to take place when determining which the most appropriate route is.
Academic receives potential consultancy opportunity

Do you want the University to benefit from the activity?

Yes

No

Was the opportunity obtained through the University?

Yes

No

Will you use the University’s name?

Yes

No

Will you use any University staff or facilities?

Yes

No

Are there any University related IPR issues?

Yes

No

Do you want to use the University’s insurance?

Yes

No

Do you want to invoice through the University?

Yes

No

Are there any major conflicts of interest?

Yes

No

Are you prepared to use the University disclaimer?

Yes

No

This activity can be carried out as **PRIVATE CONSULTANCY** subject to HoD approval

This activity should be carried out as **UNIVERSITY CONSULTANCY** subject to HoD approval.

Figure 2: Private versus Individual Consultancy
4.9 **Arrangements (within individual consultancy policy)**

If a private arrangement has been decided upon as the best route to take we need you to complete a private consultancy standard waiver form and a waiver letter signed by the client, a copy of these can be provided by DBIS.

This letter ensures that the client clearly understands who they are engaging with and that the University accepts no liabilities as a result of the work.
5 Legal

5.1 Authorisation
Getting the legal side of consulting right is essential. DBIS works closely with the Legal Support team to manage this part of the process.

In order to get the agreements put in place DBIS needs to complete an authorisation form, called a CA1 form, this is not shared with the client. This ensures that we are costing projects correctly and that projects are signed off internally before work takes place. The completed CA1 form is used to draw up the legal agreements.

5.2 Legal Support

5.2.1 Contracting with Third Parties
It is University policy to ensure that there is always a contract in place prior to any work being undertaken as part of consultancy project. The reasoning behind this policy is twofold; firstly, having a well written contract ensures there is always clarity between the parties on exactly what is expected of each of them, in terms of both what services will be provided by the Consultant and what the financial arrangements will be; secondly, by having a contract in place, it provides protection for both you as a consultant (financially, physically and in terms of suitable protection of your intellectual property rights); and, protection of University as a whole.

The University always elects to become party to any agreement, in place of you as an individual Consultant. The reason behind this is simply for your protection. By doing this, the University accepts any liabilities which may arise under a contract, and always ensures it has appropriate levels of insurance cover in the event that anything should go wrong. In the event that these responsibilities were to fall on an individual, such as yourself as a consultant, it would place you both personally financially responsible, and in turn, at risk. The University will absorb this risk on your behalf by accepting liability under the contract.

The University has its own in-house Legal Support, who take responsibility for drafting, reviewing, negotiating (the legal terms) and securing signature of all legal documents for the University. Legal Support can also provide help in the event that an issue or dispute arises, surrounding either the work or the contract itself. Having conducted the initial negotiation of the contract, Legal Support will already have ensured that in the event a dispute were to arise, the University would be in a strong position to take any legal action that may be required.

5.2.1 Signature
Individual staff members are not authorised to sign any document which legally binds the University. Currently, the only person who has the authority to do so is the Treasurer. In the event that another member of staff does inadvertently sign such a document, it will automatically be invalid. The Chief Operating Officer (Registrar) will only agree to sign any such document on the advice of Legal Support.
5.2.2 Contact
Carol Hogg  ext. 49339  legal.support@durham.ac.uk

Please forward all contracts and documents that require signature to Legal Support.

*Note: If DBIS are working with you on a consultancy project they will do this on your behalf.*

5.2 Progress Updates
Gaining signed agreements can take time, depending on how many people are involved, where clients are based and the level of negotiation that takes place.

Delivery of the consultancy work should not take place before we have a signed agreement.

If the process does take a little longer than normal then DBIS will keep you informed as to the progress of the agreement.

As soon as we receive fully signed documents we shall let you know so that you can arrange for the work to commence.

5.3 Sub-Contractor Considerations
Two considerations to bear in mind regarding sub-contracting:

- If Durham University acts as a sub-contractor then Legal Support will need to see the main agreement (between our client and their client) to ensure that there are no legal requirements that extend to us that we are unwilling to accept
- If we require the support of sub-contractors to deliver consultancy projects then we will need to ensure that they have appropriate levels of insurance before we engage with them and put in place the necessary agreements
6 Consultancy Work Considerations

There are many elements to consider when developing proposals and planning consultancy projects. We have gained many examples of good proposals over the years; the following sections presented here are aimed to help consultants produce proposals or descriptions of the scope of work that are more easily accepted by the client.

Getting the costing and pricing right can make the difference between a highly profitable contract and a loss making activity. The guidance in this section is aimed to help you correctly undertake these activities.

At DBIS we are happy to talk you through these components to help you create professional documents to support your proposals.

6.1 Pricing

There are several ways to determine the pricing of a project, but there are no fixed rules: Pricing is more of an art than a science.

- Value based pricing is centred on the benefit that you are delivering to the client
- History based pricing is based upon having set a precedent for work with this client (or industry) previously
- Market based pricing is determined by which end of the market you wish to position the University (or yourself). DBIS has access to information that helps to determine the current market rate of consultancy delivery. Please speak to us to help determine the most appropriate day rates

In addition factors such as ‘How urgent is their need?’ and ‘Are we the only people who can deliver?’ should also be taken into account.

All approaches are potentially valid, but should be considered with respect to Full Economic Cost (fEC) as the minimum starting point. If in doubt a starting position of fEC + 60% for private sector clients and fEC + 45% for public sector clients would be reasonable. Remember it is a lot easier to offer a discount than negotiate increases in day rates.

DBIS is able to provide you with pricing information to make this part of negotiating with the client easier and consistent with the rest of the University. We are also happy to discuss pricing with clients on your behalf.

6.2 Complexity

The sequence of steps should be worked out so that we can make available the right people for a project at the right time.

A more complex project will have more detail and ‘interfaces’ that would need to be managed; this in turn puts more demand on resources and should be considered during the costing phase.
6.3 **Legacies**

Please bear in mind that relationships with organisations in the past may put a steer on how future contracts might be considered.

When a new contract is being created please consider the legacy relationships that are in place.

6.4 **Full Economic Costing (fEC)**

The Full Economic Cost is the cost to the University of people and facilities. For people the cost per day in terms of Full Economic Cost (fEC) have already been calculated and are available for generic roles e.g. Grade 3 Technician, Post-graduate researcher and for individual members of staff so please speak to DBIS to get the correct information for costing individual consultancy work. The Full Economic Cost has usually already been calculated for facilities and analytical services within each Department. The Full Economic Cost for the use of lab or office space may need to be calculated on a case by case basis. Please contact DBIS for assistance in building a cost model.

The fEC includes all of the direct and indirect costs of a department on a pro-rata basis and represents the cost which must be recouped from the client. The fEC cost for a project is calculated to provide a comprehensive cost model (cost to the University to deliver the project) so that pricing can be set appropriately to ensure that losses are not incurred during a project.

Please make sure you have determined all the costs of the work (manpower, facilities and equipments, services, consumables, travel, expenses and other costs, before you respond to any enquiry or proposal from the client on the price you will be charging for the consultancy work.

6.5 **Subsidies and grants**

From time to time subsidies or grants may be available from external bodies such as the Research Councils, Technology Strategy Board, the North East England Investment Bank or European Regional Development Fund (ERDF) to assist businesses in accessing University expertise and your client may ask you to assist in accessing such funding to pay for part of the consultancy work.

DBIS can advise of available grants and funding schemes and will support the application for such funding where applicable. A recent example was the Innovation Voucher Scheme which provided match funding for SMEs working on an innovative project with a University partner.

As a rule of thumb ERDF subsidies should be avoided and used only if this falls in line with the University strategy. All engagement with ERDF funding must be approved by the PVC for Partnerships and Engagement Prof Ray Hudson. There is a great deal of administration required and can lead to expectations being raised with clients for future dealings.

As a University we need to charge a fair commercial rate that reflects our ability to deliver world-class services.
6.6 **Value Added Tax (VAT)**
All prices discussed with clients should be exclusive of VAT and this must be stated. Some items do not incur a VAT charge, although most activities will incur the current standard VAT charge of 20%. If the client is not informed that the pricing is exclusive of VAT the University will be liable to pay the 20% difference, or put another way, you lose 20% of the income. The consultancy contracts drawn up by Legal Support always refer to pricing exclusive of VAT.

The Consultancy Authorisation form splits the charges to the client into different categories (consultancy fees, travel and subsistence, consumables etc.) and when the project is invoiced to the client the Finance Department will apply the appropriate VAT rate to each element.

VAT is usually a straightforward consideration; please speak with DBIS if you are in any doubt about this who will liaise with specialists in the Finance Department for more difficult cases.

6.7 **Definition of Scope**
Defining the scope of a project is essential and can help clarify the consultancy that we are proposing. Often projects that are not scoped adequately can lead to discussions about what work needs to be completed, and sometimes this can be at the expense of the University or the individual's time.

The scope also covers what is required from the client (especially if this affects the timeliness of the delivery), what limitations are upon us with regards to confidentiality, what form we will deliver the report in and what the acceptance criteria are (including deadlines and requirements).

There may also be physical requirements associated with the delivery, for example - will it include a presentation? The scope should be understandable to a lay-person to help ensure that there are no misunderstandings during the project delivery.

When considering the boundaries of the project it is sometimes useful to state what is not included in the project as well as what is. A decision to include this may be based around previous discussions with the client and often helps to manage expectations.

6.8 **Client Specification**
When reviewing a client’s specification it is good practise to look for any gaps that might be present and that might require interpretation. This is a good point to speak with the client, as this may be an area that an exact result or outcome is required.

Checking for gaps and ensuring that they are suitably filled provides comfort to clients as well as helping to ensure high levels of client satisfaction at the end of a project.

**Our ability to deliver to a specification should be evaluated during a proposal phase, especially in terms of capacity and competence. This can be considered as part of the**
risk analysis. Tied into this is the review question ‘do we understand the requirements?’ This may help determine our ability to deliver a high quality project.

6.9 Tenders
When considering the opportunity to respond to competitive tenders the first consideration should be the ‘bid / no bid’ decision.

The second consideration should be to reflect against the needs of the organisation that has put the tender out – can we leave them with no doubts in their mind that we are fully capable of doing the work?

Many tenders are rejected at the first round due to a lack of proper format and fundamental content. DBIS can provide support with the tendering process using growing experience that has been gained internally and externally on how to best approach the tendering process.

Often there is confusion as to who should sign off Tender proposals. Any forms containing financial information must be signed by the Treasurer and the forms requiring signature must be submitted to the Legal Support Team. Any example contract terms and conditions included in the tender must also be submitted to the Legal Support Team for review and comment. If the work will be delivered as individual consultancy then the PVC for Partnerships and Engagement Prof Ray Hudson may need to sign an authorisation form. Please contact DBIS to clarify authorisation requirements on a case-by-case basis.

6.10 Project Spends
To fully cost a project the additional spends need to be considered, these can include:

- Time required by other members of staff to deliver this project
- Travel time and costs
- Consumables required

Time spent early on to identify these potential costs means that ‘surprises’ later on during the project are minimised.

6.11 Responsible Staff
Projects often require more resource than just one person, if this is the case with your project then defining a project team structure helps to clarify the roles and responsibilities that will take effect during the course of the project’s delivery.

This section of the proposal may also include commentary about the access to people during this project to let the client understand how the project delivery will work. The objective of this is to both be clear and reassure the client that we know how we are going to deliver.

6.12 Non-Disclosure Agreements (NDAs)
To ensure that information of a commercial and technical nature can be freely shared between the University and the client, a non-disclosure agreement is normally used.

All consultancy contracts agreed between the University and a client contain clauses setting out the confidentiality/non-disclosure requirements.
If the client prefers a specific non-University document then discussion with Legal Support is essential to ensure that the University is not put into a compromising situation.

In some cases it is necessary to put a non-disclosure agreement in place before a contract is signed so that confidential information can be shared during the proposal development step.

A copy of our standard non-disclosure document is available on request, this is starting point, but each case will need to be considered on its merits. NDAs need to be signed off by authorised individuals on behalf of the University; typically this is the Director of DBIS Dr Tim Hammond. Please contact DBIS who can advise on completing the NDA, liaise with the Legal Support Team and obtain the required authorisation on your behalf. Individual consultants should not sign off NDAs, especially client developed ones which have not been checked by Legal Support.

6.13 Project Management
Simple project management tools such as GANTT charts are usually sufficient to manage a project through its life-cycle.

The lack of a project management approach can lead to underperformance and as such is an outcome that is undesirable.

DBIS can provide support in this area to help ensure effective management of projects.
7 Project Management

7.1 Introduction
Taking a project from proposal through acceptance and through the delivery phases requires a variety of skills. This section covers some basic areas to consider.

7.2 Create and Manage Work Plans
Creating a work plan is a good way to consider the work that needs to be completed and ensure that the delivery can take place without problem.

If there is a possibility that the work will not be completed in line with the project plan then a formal communication must be made to the client if additional resources cannot be brought into the project to bring it back in line with the plan.

7.3 Public Affairs
If the work can be published and/or publicised and this is a consideration then the consent of the client must be gained.

Promoting the University and the consultant through public relations work can be very beneficial; this should be considered whenever appropriate.

7.4 Manage Contract Changes
If the work programme needs to change then this is generally simple and done via a one-page contract variation.

As this effectively creates a new contract the sign off process is the same as for the original contract and DBIS, working with Legal Support, can help with drafting the variation and with guidance in this area.

7.5 Manage Finances
The sending out of invoices is managed by the Finance Department through the standard University processes as is the accounts receivables function.

This allows you to spend more time working on delivering the project.

Support to manage project cash flow on larger projects can also be delivered by the Finance Department.
7.6 Manage People
One of the skills that can facilitate an effective project is that of interpersonal skills. Some people are naturally more confident in this area than others and support can be given to you if you feel it is appropriate.

Despite being skilled in this area there is always the risk that relationships can deteriorate during the course of a project and mediating this situation to ensure that the client receives the level of service that they are looking for is essential. DBIS can provide assistance should such a situation arise.

7.7 Manage Documentation/Record Keeping
When delivering a project there is usually a requirement that certain information is kept.

There may be contract specific requirements defined regarding the retention of original documents used, this is especially in the case for state aid funded projects. Adherence to the requirements is essential to guarantee that funds are successfully transferred to the University in this case.

Define the responsibility for storage of the records into the proposal. By being clear about what is proposed with the information and records can make a difference to the approach taken by the client.

The preferred position is that the client is responsible for documents and record keeping once the project is complete and all agreed deliverables have been provided to the client.

7.8 Communication
Many communications take place during the life of a contract. Some examples of these include:

- The contractual conversation, which is usually handled with the support of DBIS
- The consultant delivering the project undertaking the delivery conversation

The obligations and needs for communication during the life of the project need to be clarified before the project commences as stated earlier.

Enquiries generated during the course of the project should be acknowledged within 24 hours and this acknowledgement should outline a timescale for closure.

7.9 How do we complete a Project?
Once the work has been completed it is usual for this to be confirmed by the client. Generally some auditable evidence that we have completed the work (i.e. copy of report, or email confirming delivery) is helpful.

There may be a requirement for a final report. This is often a consideration when writing the proposal (to ensure that enough time is allocated to the project).
The Finance Department will send out request for client feedback with the final invoice, this feedback is reviewed by DBIS. This is very useful to the University to understand how we are performing and any specific feedback will be shared with the staff directly involved).

From an internal point of view it is also useful to have feedback from the staff delivering the work. Questions such as ‘would we want to work with client again?’ can help DBIS to manage projects more effectively in the future.

Once the project has been completed and acknowledged by the external client defining the next steps for the University can help to bring a project to a complete close.

Often there is potential for on-going work or contact and DBIS will work with the staff involved to agree how best to maintain contact with the client.
8 Finance

8.1 Distribution and timing of Income
It is important for all Consultancy work that there is clarity in when we will get paid and how the money will be distributed. It is preferable to determine this before the work is started.

For individual consultancy work this is defined on the Consultancy Authorisation form (CA1 see page 29) and will be executed by Finance to ensure that monies are allocated appropriately.

For Individual Consultancy there is a 10% deduction from the consultancy fees to cover administrative support, Departments may also charge a fee.

Money can be paid to payroll, staff accounts, departmental accounts or charities. This will be discussed with you as the CA1 form (page 29) is being completed.

If money is to be distributed to somewhere other than payroll then a waiver form will need to be signed for tax purposes, which is included in the CA1 form (page 29).

8.2 When do we get paid?
This will be stated in the contract and will be defined by the payment schedule. Money, from Individual Consultancy, will be paid to the consultant once the University has received the amount from the client. The standard University payment terms are thirty days. This may be amended when the proposal is being drawn up; often larger companies have longer payment terms of 45 or 60 days.

For Individual Consultancy fees taken through the Payroll system, the cut off dates must be taken into account, which is the 10th of each month. Payments received after this date will not reach payroll for the same month. As highlighted on the Consultancy Authorisation form payments through payroll are subject to both employers and employees NI deductions and so the gross amount that appears on a payslip will be less than the “consultancy fee minus 10% admin fee”.

Due to all these factors payment may not reach you (via payroll or into your research account) until 3-4 months after the invoice is raised. A typical delay is 2-3 months, for this reason do not plan on using consultancy income until you have actually received it.

Once the final invoice has been raised Finance directly manage the process to make sure that the monies have gone to the right places (and in the right amounts) and that customer feedback has been collected.

8.3 Debt Recovery
The University has a well established debt chasing and recovery process managed by the Finance Department.

Once an invoice is overdue a formal chasing letter will be sent, and a follow up will be sent out every 14 days from that point onwards (escalating over time).
It is important that you copy in Accounts Receivable (kathleen.fall@durham.ac.uk) in the Finance Department into any relevant correspondence you have with the client regarding payment.

Finance will support this process to help ensure that monies owed are managed efficiently.

**8.4 Additional Considerations for International Clients**

A copy of the invoice will be e-mailed to the client if they are based overseas. This is to help speed up the process of being paid.

Correspondence with overseas clients should be done using a courier service, if hard copies are needed, to ensure that traceability is achieved and that time lags are minimised.

**8.5 Currency**

Contracts should be in EURO, USD or GBP. The University prefers contracts in GBP in order to avoid risks with the currency exchange rates changing over time; please bear this in mind when discussing the contract with your client. They usually prefer to state a contract in a currency that they are familiar with.

If a contract cannot be quoted in GBP, please raise this issue when drawing up the proposal, and risks associated with fluctuations in exchange rates should be specifically flagged up as a risk when contracts are presented for sign off.

Contracts can be completed in other currencies if necessary. Please contact DBIS to discuss if this applies to your project.

**8.6 State Aid Rules**

State Aid rules are EU law requirements on State assistance to commercial undertakings. Any organisation/body found to have granted State Aid illegally can be required to recover sums from the recipient and is potentially liable in damages to disadvantaged third parties – so it is important to get it right!

There is a State Aid issue when a University engages in activities which may have commercial competitors. Universities are potential grantors of aid to the extent that they use public funds to assist (directly or indirectly) private undertakings.

In all cases, it is irrelevant whether or not the university is charging for the activities in question. There are certain exemptions to the rules that may be applicable (please speak to DBIS if you need clarification in this area).

We therefore need to review commercial activities at an early stage to apply the guidance in order to ensure compliance with State Aid rules. In general, as long as we commercially price work there will not be a problem.

This is a complex area where guidance from the Head of Legal Support, Tess Mantzoros (tess.mantzoros@durham.ac.uk), should be taken if in any doubt.
9 Analytical Services
Consultancy work may be a completely paper based exercise but often also involves analysis and testing activities.

The costing of equipment and facilities can be more difficult than the costing of people, also for standardised tests there may well be established local competitors so that the market rates can be well below the cost of such activity in a University context.

We have gained substantial experience across the University on how to effectively manage such opportunities through the Business Development Manager (Analytical Services and Consultancy), Dr Pamela Robinson, who can be contacted for support.

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<thead>
<tr>
<th>Dr Pamela Robinson</th>
<th>Business Development Manager - Consultancy and Analytical Services</th>
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<tr>
<td></td>
<td><a href="mailto:p.j.robinson@durham.ac.uk">p.j.robinson@durham.ac.uk</a></td>
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<td>0191 334 4646</td>
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DBIS does not retain an administration fee for analytical work but typically the department will retain some monies on behalf of the University to cover the use of the equipment.

As general guidance, for all such work as a minimum the basics should be in place:

- Pricing
- Written Contract/Agreement
- Demonstrable Delivery
- Clarity on Invoicing, and Distribution of Income

DBIS provides support for client negotiations, costing, pricing and drafting analytical services agreements using a standard template which typically provides access to services for 1-5 years on a call-off basis.

Each Department is responsible for the financial management of analytical services contracts (invoicing and distribution of monies).

Legal Support is responsible for finalising the required contract or reviewing contracts proposed by the client and obtaining the signature of the Treasurer on behalf of the University and the client signature.
10 Reference

The CA1 (7 pages) click here is referred to throughout this document and is attached for reference. The checklist referred to throughout this Consultancy Guide is on page 7 of the CA1.

This document contains:

- Project, academic and client details
- Member of staff statement and approval from Head of Department
- Details of consultancy
- Project financials
- Salary income waiver
- Schedule of work
- Consultancy checklist