

GLOBAL CONSULTANCY POLICY

(For Staff at all campuses of the University in the UK, UAE and Malaysia)

June 2025

Approving authority:	University Court
Consultation via:	University Committee for Research & Innovation → University Executive → Finance Committee
Approval date:	23 June 2025
Effective date:	1 September 2025
Next review date:	September 2026
Responsible Executive:	Professor Gill Murray, Deputy Principal, Enterprise & Business
Responsible Office:	Business & Enterprise Directorate

Preface

Within this policy, consultancy means the provision of expert advice and services, based on existing knowledge and expertise, to solve problems or improve process without the primary aim of creating new knowledge or innovation.

For the avoidance of doubt, consultancy does not constitute any form of research - whether basic research, applied research, or experimental development - regardless of the funder. The internationally recognised definition of research is set out in the OECD's Frascati Manual¹.

The position of the University is that outputs from consultancy, including any proprietary rights, are normally owned by the client commissioning the work. Any variation of such ownership will only occur in exceptional circumstances. The ownership of outputs from any other form of collaboration between the University and external clients, for example research collaboration, is outwith the scope of this policy.

1. Introduction

Consultancy is a key component within the mix of knowledge transfer mechanisms operated by the University. By engaging in it the institution strengthens alignment with its strategic aim to create impact, delivering economic and wider societal benefit.

Consultancy widens opportunity for the University and motivates staff to create new, responsive and strengthened relationships with industry and external collaborators. A consequence of this is often progression from consultancy to deeper research-based collaborations. For companies who are new to working with the University, particularly the SME base, consultancy can play a primary role in building both understanding and confidence in collaborating with the higher education sector. Consultancy also motivates staff by bringing potential professional and career development opportunities, through a broadening of opportunities for external engagement.

In addition to being an effective knowledge exchange pathway, consultancy generates income for the University. After institutional costs are met and for staff not employed for the primary purpose of delivering consultancy as part of their workload², a percentage of surplus income can be used to support academic activities including research, conference attendance, purchase of equipment or support for postgraduate students – such staff can also apply to take a personal payment from the surplus.

Despite the many societal, staff and wider institutional benefits that arise from consultancy, its undertaking presents the University with legal, reputational and financial risk. In addition to supporting growth and diversity in consultancy, this policy also seeks to mitigate such risk, both at the institutional and individual level.

Business & Enterprise is the Directorate which leads on supporting consultancy growth across the University and on the application of this policy. Staff within the Directorate are experienced

¹ OECD (2015), *Frascati Manual 2015: Guidelines for Collecting and Reporting Data on Research and Experimental Development, The Measurement of Scientific, Technological and Innovation Activities*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264239012-en>.

² The majority of staff are not employed to deliver consultancy as the primary component of their workload.

in establishing and managing consultancy contracts and are the first point of contact for any member of staff wishing to discuss engaging in consultancy. They can be contacted at consultancy@hw.ac.uk

2. Purpose and Effective Date

The purpose of this policy is to define the governance, financial and procedural contexts for the delivery of consultancy by the University. The policy also seeks to ensure that the volume of consultancy undertaken by the University is increased, along with the societal impact and institutional benefits arising from this. The Policy applies to all staff engaged in Consultancy and is made in pursuance of Articles 3 and 4 of the University Charter and paragraphs 4.6.1 and 4.7.1 of the Statutes.

This policy will be effective from 1 September 2025 and will replace the University's 'Guidance and Rules Governing Consultancy'³, which will continue to govern consultancy contracts which are ongoing on the aforementioned date.

3. Scope

This policy allows and governs the delivery of consultancy services to external clients by either academic, research or Grade 6 and above professional and technical services staff, employed by the University in a full or part-time capacity and when not working on externally funded projects. Other staff, including those engaged in an honorary capacity and students, are not permitted to deliver consultancy on behalf of the University.

The University requires all staff to comply with this policy. For academic staff authority is derived from the University's Ordinance F3 – Duties of Academic Staff. For staff employed within professional services, authority is derived from the relevant Director of Service and for technical services staff from the Executive Dean/Provost.

This policy must be read in conjunction with the University's 'Ethical Business: Conflict of Interest Policy'⁴.

4. Definition of Consultancy

The definition of consultancy for the purposes of this policy, is the same as that used by the UK Higher Education Statistics Agency (HESA):

"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."

This definition is also adopted by the Scottish Funding Council for institutional reporting of knowledge exchange and innovation activity.

³ [Heriot-Watt University, Guidance and Rules Governing Consultancy](#)

⁴ [Ethical Business: Conflict of Interest Policy \(For staff of the University\), Heriot-Watt University, November 2022](#)

Consultancy is typically short-term and directed at solving a clearly identified problem or challenge for a client, who may be in the private, public or third sector. This will be done by undertaking assessment and by providing specialist input based on existing knowledge. Given that new knowledge is not expected to arise from the undertaking of a consultancy, it is not aimed at generating peer-reviewed publications or University owned intellectual property.

Consultancy does not include undertakings and any payments which fall within the scope of the wider academic and related endeavour, including:

- External examining
- Peer review of publications or grant applications
- Book reviews
- Presenting at conferences
- Guest lectures
- Appearing in, or contributing written articles to, the media
- Being appointed to a Research Council, charity, professional body, board or committee

5. University vs. Private Consultancy – Options and Approval

When engaging in consultancy a member of staff can decide on one of two options – to undertake University Consultancy or Private Consultancy.

Both forms of consultancy require adherence at all times to all relevant University policies governing campuses in the UK, UAE and Malaysia. Any conflict of interest must be reported and managed on a regular and routine basis in line with the University's 'Ethical Business: Conflict of Interest Policy'⁴. Business & Enterprise will maintain a list of all relevant policy documents and will advise staff on these.

University Consultancy and Approval

When proposing to undertake a University Consultancy, a member of staff based within the University's UK, UAE or Malaysia campuses will be supported by Business & Enterprise working in collaboration with local level business development, legal and finance colleagues. Such support is designed to minimize the demand on the member of staff proposing the consultancy, optimise the speed at which the consultancy is agreed and established with the client and to minimise the risk and liabilities associated with its delivery – the support includes:

- due diligence to assess the risk of collaborating with a client
- the costing and pricing of the consultancy
- the negotiation and sign-off of a legal agreement to capture and govern the supply of the consultancy, subject to prior confirmation of compliance with 'Appendix A – Authorisation Limits' within the University's Financial Regulations, 2024⁵; the style of legal agreement to be used will be overseen by the University's General Counsel and approved by the Global Chief Financial Officer and the Global Director of HR
- the arrangement of professional liability and indemnity insurance to protect against any claim for breach of contract
- relationship management with the client during delivery of the consultancy

⁴[Ethical Business: Conflict of Interest Policy \(For staff of the University\), Heriot-Watt University, November 2022](#)

⁵[Heriot-Watt University, Financial Regulations, December 2024](#)

- the capturing and communication of the impact arising from the consultancy
- disbursement of income in collaboration with Finance and in accordance with paragraph 8 of this policy
- dialogue on continued and deeper collaboration with the client

Approval for a member of staff to undertake University Consultancy is at the discretion of their Executive Dean/Provost/Director of Service or equivalent, or in the case of an Executive Dean/Provost/Director of Service or a more senior member staff, their line manager (“Senior Authority”). The Senior Authority must act in accordance with paragraph 7 of this policy when deciding whether or not to grant approval.

An Executive Dean/Provost/Director of Service may delegate approval of University Consultancy, subject to the prior written agreement of the Deputy Principal for Enterprise & Business.

Private Consultancy and Approval

When undertaking Private Consultancy a member of staff must arrange this directly with the client, with no involvement or implied relationship with the University. The consultancy must be delivered outwith the member of staff’s employment with the University. Any contract put in place to govern the supply of the consultancy must be between the member of staff in a private capacity and the client. The member of staff must arrange their own insurance cover. They must declare any income received to the relevant tax authority and they are liable for any tax payments thereon. No University support will be provided and no access will be allowed to the University’s estate, facilities or equipment to deliver the consultancy or meet the client. The University’s intellectual property, know-how, name, address, headed paper, crest and recordings of its reputation must not be relied on. The member of staff’s or any other email address containing ‘...@hw.ac.uk’ must not be used. Income from Private Consultancy will not come into the University and will flow directly to the staff member.

The undertaking of Private Consultancy requires prior written approval by a member of staff’s line manager and sign-off from Business & Enterprise, working in collaboration with colleagues in the UAE and Malaysia as required. This is to ensure alignment with the values of the University. A member of staff seeking approval of a Private Consultancy must first submit a “Private Consultancy Request Form” to their line manager for review and then to Business & Enterprise – the form is available on the [Business & Enterprise consultancy SharePoint site](#).

In accordance with paragraph 13 of this policy, the undertaking of Private Consultancy will not inform staff performance assessment or career progression within the University.

6. Time on University Consultancy

The maximum number of days of University Consultancy that may be undertaken by a member of staff, not employed for the primary purpose of delivering consultancy as part of their workload, during a period of 12 consecutive months is 50 days. This limitation does not apply to staff employed for the primary purpose of delivering consultancy as part of their workload.

7. Criteria for Approval

The following must be considered by a Senior Authority when assessing a proposed University Consultancy for approval:

- the extent to which it progresses the strategic aims of the member of staff's school or directorate and wider University
- the amount of time to be dedicated to the consultancy and the period in which it will be delivered
- other work-based commitments of the member of staff, including across teaching, research, enterprise (including ongoing University Consultancies) and administration
- the work-based performance of the member of staff, informed by the most recent Performance and Development Review process
- the level of surplus income (i.e. price less cost) and the amount that will be disbursed (i) to the member of staff to be used in support of the academic endeavour, (ii) to a personal payment, (iii) to the school or directorate in which the member of staff is employed and (iv) to Business & Enterprise, all in accordance with paragraph 8 of this policy
- any potential conflict of interest
- any risk to the good standing and reputation of the University in addition to any wider risks
- whether or not Business & Enterprise has endorsed the proposed consultancy

A member of staff seeking approval of a University Consultancy must first submit a "University Consultancy Request Form" to Business & Enterprise – the form is available on the [Business & Enterprise consultancy SharePoint site](#). Business & Enterprise, working in collaboration with colleagues in the UAE and Malaysia as required, will support the member of staff in completing the form, including an assessment of the risk presented by collaborating with a client, informed by a due diligence check. Business & Enterprise must record its endorsement, or otherwise, of the University Consultancy on the form prior to it being submitted to the member of staff's Senior Authority for review and potential approval.

Where approval of the proposed University Consultancy will result in the member of staff earning greater than £25,000 (or equivalent in either the UAE or Malaysia) in total personal payments within 12 consecutive months, this will require the approval of the Global Chief Financial Officer and the Deputy Principal for Enterprise & Business. Where the Global Chief Financial Officer and the Deputy Principal for Enterprise & Business do not grant approval, the University Consultancy Request Form will not progress to the Senior Authority for review.

Where the University Consultancy has been approved by a Senior Authority, Business & Enterprise, working in collaboration with colleagues in the UAE and Malaysia as required, will support the member of staff in taking the consultancy forward, including in accordance with paragraph 5 of this policy.

If a request to undertake University Consultancy is rejected by a Senior Authority and the member of staff judges this to be unreasonable, they may appeal the decision by writing (via email) to the Deputy Principal for Enterprise & Business and in the case of the aforementioned Deputy Principal, or a more senior member of staff, by emailing the Principal and Vice-Chancellor. Effort will be made to respond to an appeal within three weeks of its submission. All appeals and subsequent responses must be copied to consultancy@hw.ac.uk for the purposes of recording.

8. Revenue Share

(i) Where a member of staff, as defined within paragraph 3 of this policy, is not employed for the primary purpose of delivering consultancy as part of their workload⁶:

After payment of all invoices has been received by the University from a client for the supply of University Consultancy, the full economic cost will be first deducted and allocated to the School/Directorate which has incurred costs in the delivery of the consultancy. The remaining surplus (determined by the price less the full economic cost) will be shared as follows:

- 70% to the member of staff who has delivered the consultancy – the member of staff can opt to take up to 50% of this amount as a personal payment, via payroll, with the remainder paid into an account held by the member of staff to support their University/Directorate activities, which advance the academic endeavour (e.g. research, conference attendance, purchase of equipment or support for postgraduate students); should the member of staff not opt for a personal payment, the full amount of the 70% of surplus will be available to them to advance the academic endeavour.

Any taxes incurred by the University arising from a personal payment will be met from the aforesaid personal payment. Personal payments will not attract a pension contribution from the University.

Notwithstanding the University's financial year, the share of surplus allocated to a member of staff to support the academic endeavour can be held for a maximum of 24 consecutive months from date of first allocation. Surplus remaining after the expiry of the aforementioned 24-month period will no longer be available to the member of staff.

- 15% to the School/Directorate which has incurred costs in the delivery of the University Consultancy; this disbursement will be managed and attributed as a School/Directorate contribution to the central University.
- 15% to be reinvested by Business & Enterprise to support growth of knowledge exchange activities.

(ii) Where a member of staff, as defined within paragraph 3 of this policy, is employed for the primary purpose of delivering consultancy as part of their workload:

After payment of all invoices has been received by the University from a client for the supply of University Consultancy, the full economic cost and surplus (determined by the price less the full economic cost) will be allocated to the School/Directorate which has incurred costs in the delivery of the consultancy. This disbursement will be managed and attributed as a School/Directorate contribution to the central University.

⁶ The majority of staff are not employed to deliver consultancy as the primary component of their workload.

9. Costing and Pricing

Business & Enterprise, working in collaboration with colleagues in the UAE and Malaysia as required, will be responsible for calculating the full economic cost of a proposed University Consultancy, with the calculation remaining internal and confidential to the University, including the member of staff delivering the consultancy. Informed by this and in discussion with the member of staff, the price to be charged and communicated to the client will be determined – this will be done on a case by case basis and is informed by different factors including the member of staff's seniority, know-how and experience, the type of work that is proposed, the number of days dedicated to the consultancy, the location for the delivery, market conditions and potential future benefits to the University.

In providing University Consultancy to a client, a member of staff may make use of the University's physical resources, including scientific or technical facilities and equipment for testing or analysis. The access charge for this will be calculated by the appropriate University accountant and will be included in the full economic cost calculation. The cost of using such physical resource during a University Consultancy will be reimbursed to the business unit which pays for it.

10. Client Access to Facilities

Any access a client has to University facilities or equipment as part of a University Consultancy will be managed by and be the responsibility of the member of staff delivering the consultancy. The member of staff must obtain written approval from the authority responsible for the management of the facilities or equipment prior to accessing the resource and ensure that the client complies with the University's health and safety policies and procedures⁷.

11. Invoicing

Business & Enterprise in collaboration with Finance, and colleagues in the UAE and Malaysia as required, will ensure that the invoicing of external clients subsequent to delivery of a University Consultancy, and the disbursement of income in accordance with paragraph 8 of this policy, are undertaken.

12. Reporting

The internal and external reporting of societal impact and institutional benefit arising from University Consultancy will be undertaken by Business & Enterprise. To inform this, all members of staff having undertaken a University Consultancy must submit a University Consultancy Impact Report⁸ (no more than 500 words) to Business & Enterprise within 4 weeks of completing the consultancy. Subject to any confidentiality obligations to clients, reporting will be key in demonstrating the value of University Consultancy to potential future clients, including via University led marketing efforts aimed at increasing the volume of activity across the institution.

⁷ [Heriot-Watt University. Health and Safety policies and procedures](#)

⁸ Available on the [Business & Enterprise consultancy SharePoint site](#)

Business & Enterprise will arrange an annual internal audit of University Consultancy and provide regular internal reports and trend analysis on the volume of University Consultancy undertaken, cost recovery, surpluses and disbursement of income. A high-level summary will be reported to the Remuneration Committee, Global Operations Executive, the University Executive and the Court.

Copies of all final reports submitted by a member of staff to a client during delivery of a University Consultancy must be copied to Business & Enterprise for recording and archiving.

13. Recognition

The contribution made by members of staff in undertaking University Consultancy will be recognised alongside their contribution in teaching and research within the University's Performance and Development Review process and promotions rounds, acknowledging that consultancy is a key activity in relation to enterprise and knowledge exchange.

For the avoidance of doubt, Private Consultancy will not be recognised within the University's Performance and Development Review process, promotions rounds or any form of personal assessment associated with career progression.

14. Workflow

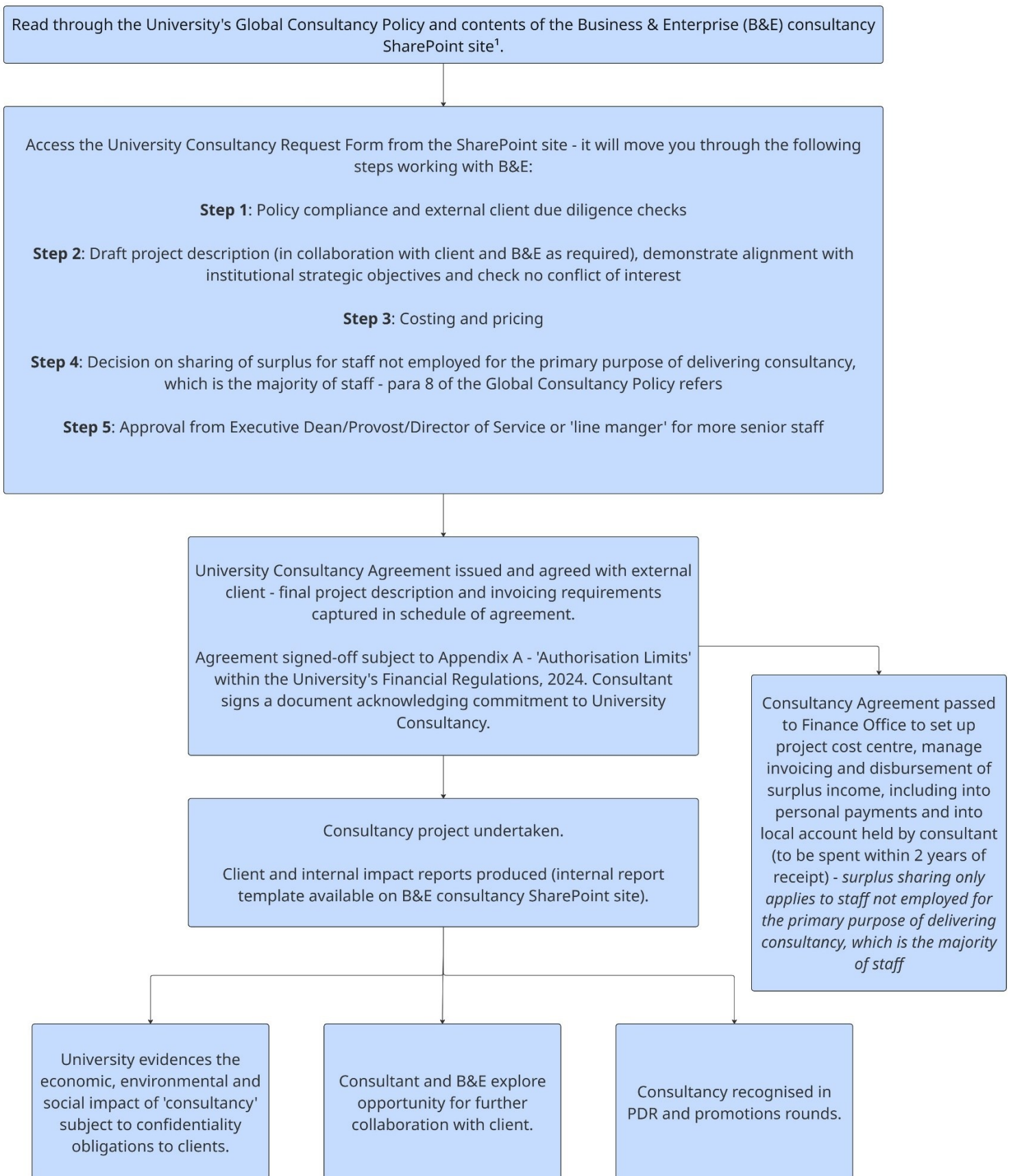
Summary pathways capturing implementation of this policy are attached as Appendices 1 and 2.

15. Support in the Application of this Policy

Any member of staff wishing to discuss the undertaking of University Consultancy should contact Business & Enterprise via consultancy@hw.ac.uk The Directorate will provide guidance and support in the application of this policy, including the workflow to be followed to establish, undertake and report on the outcome of University Consultancy.

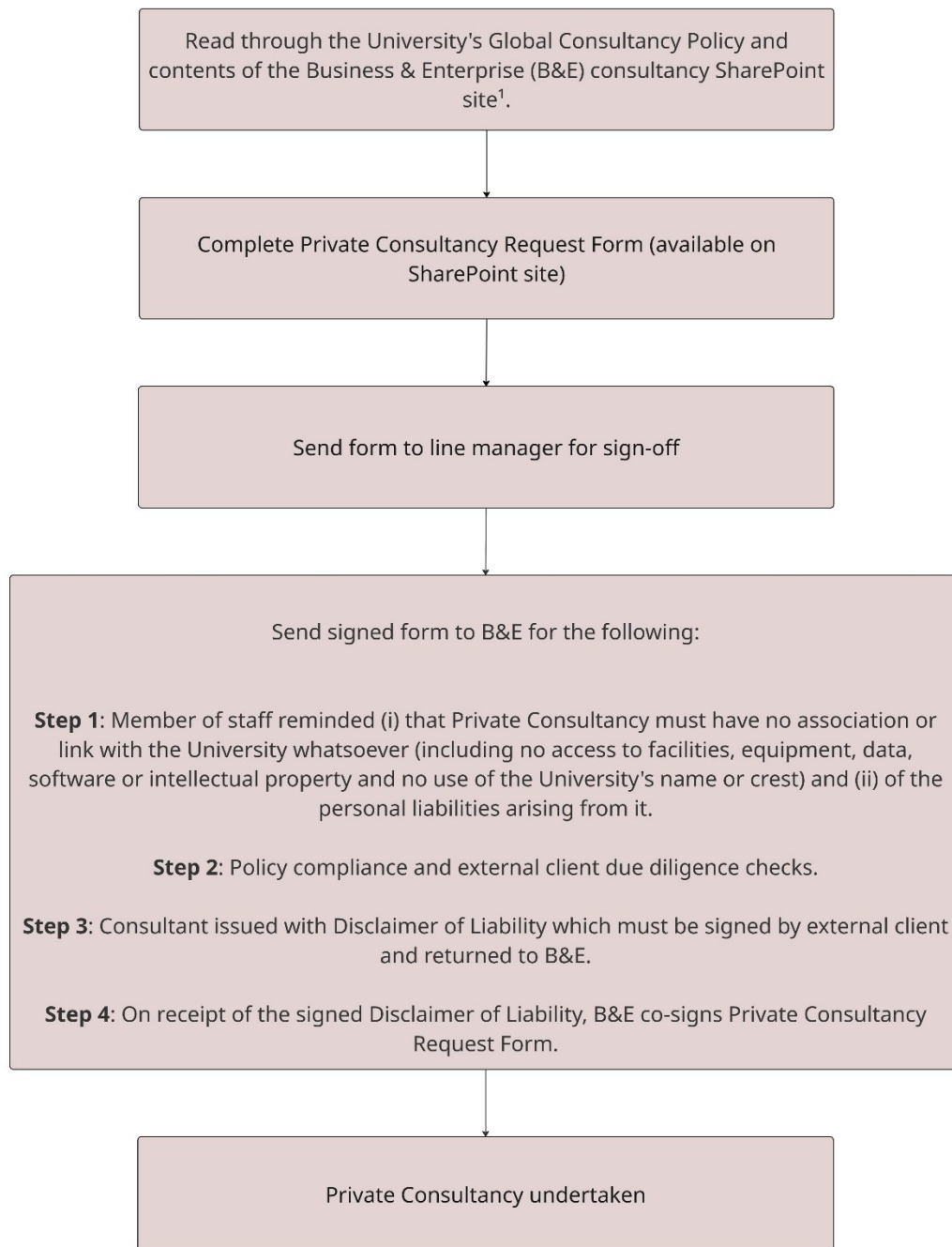
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APPENDIX 1 – UNIVERSITY CONSULTANCY PATHWAY



¹Business & Enterprise consultancy SharePoint site available [here](#).

APPENDIX 2 – PRIVATE CONSULTANCY PATHWAY



¹Business & Enterprise consultancy SharePoint site available [here](#).