

HCC External Consultancy Policy



Aims and Scope of the Policy

1. Huntingdonshire Community Church (HCC) recognises the value of its staff undertaking work for outside bodies. Such work is an important channel through which knowledge and expertise residing within, and developed by, HCC can be transferred to other organisations and practitioners. HCC also recognises the value of its employees making a wider contribution to society. At the same time, HCC must ensure compliance with its policies and procedures.
2. All work for outside bodies is subject to formal written approval by the Senior Leader of HCC. In all circumstances, the Senior Leader must be satisfied that the member of staff will continue to perform all the duties required of them by their contract of employment with HCC. Should this not be the case, permission to undertake the activity will be withheld. Should the Senior Leader be proposing to undertake external consultancy, the approval will need to be obtained from the Board of Trustees.
3. In accordance with this policy, HCC's arrangements for the approval and management of work for outside bodies are intended to ensure that:
 - the anticipated benefits to both the employee and HCC are realised
 - the work is appropriate to, and consistent with, the discharge of employees' contractual responsibilities, whether the additional work is undertaken on behalf of HCC or on a private basis
 - professional indemnity insurance, resources, facilities and services are provided where the work is undertaken on behalf of HCC
 - the full costs of any of HCC's resources, facilities or services utilised in undertaking the work are recovered
 - the price charged for the work generates additional income where appropriate and reflects the true value of our expertise to the partner
 - the terms and conditions applied by outside bodies are not unduly onerous or unacceptable, and HCC's interests regarding intellectual property are safeguarded
 - the reputation of HCC is not endangered
 - appropriate arrangements are in place to confirm the quality of the work, and to ensure that it can be completed

Definition of Work for Outside Bodies

4. The term "work for outside bodies" applies, whether or not personal remuneration is involved, to activities which:
 - a. a member of staff carries out, within or related to his or her professional field, and which are additional to the work, training and other requirements of the individual's appointment at HCC; and/or
 - b. are not directly related to the professional expertise of the member of staff, but which potentially, or in practice, involve substantial calls upon the individual's time, or energies, or impinge upon the individual's employment with HCC in some other way, for example, through a potential conflict of interest.

5. This definition includes consultancy and outside work and other engagement with a third party, as well as membership of government and public organisations and work undertaken for other charitable institutions.

Disclosure of Work for Outside Bodies

6. For the following reasons, HCC requires disclosure to the Senior Leader of any work for outside bodies (even if approval is not required):

- a. **Public Accountability:** HCC must be able to justify the use of donated funds in all circumstances in which activities undertaken by its employees are not part of the formal contract of employment supported by those funds. Justification may be required by both internal and external auditors
- b. **Costs and Pricing:** no costs may fall on HCC in respect of work for outside bodies by an individual, except the time of the individual concerned. The price charged for consultancy and other work for outside bodies must ensure that, as a minimum, all costs to HCC are recovered in full. These include all resources, facilities, services, personnel, materials and overheads, plus, if possible, generating additional income for HCC and the employee
- c. **Contracts:** no work for outside bodies may be undertaken which implies any contractual obligations with a third party on the part of HCC unless HCC has fully agreed to such obligations
- d. **Propriety:** work for outside bodies must be academically and professionally appropriate; it must not bring HCC's good name into disrepute, be inconsistent with HCC's policies and Ethics Policy and/or endanger its charitable status
- e. **Intellectual Property:** work for outside bodies must afford adequate protection to HCC's Intellectual Property
- f. **Probity:** care must be taken to avoid any conflicts of interest (see below)
- g. **Quality Assurance:** the Senior Leader must be satisfied that all work for outside bodies will be of appropriate quality, and that any contractual obligations to third parties can be met in the event that the member of staff is unable to complete it for any reason.

What is Consultancy?

7. Consultancy is the provision of services to external clients based primarily on skills and expertise. This can be offering specialist opinion, by advising on issues or by solving problems or by training.

8. **Types of Consultancy** Consultancy work can be undertaken in one of two ways: as a Charity consultancy or as a private consultancy.

- a. **Charity consultancy** is where HCC contracts with an external client to provide the consulting services of member(s) of staff. Use of HCC facilities may be permitted providing they are fully costed and paid for and the use is limited (i.e. not consuming an unreasonable amount of time or taking priority over HCC's normal work activities and commitments). Such contracts benefit from the full support of HCC's administrative team in constructing appropriate consultancy agreements and other related aspects of the contract e.g. confidentiality considerations. These Charity contracts are covered by the HCC's professional indemnity insurance (to the extent of the cover). All payments to staff are made via HCC's payroll or expenses procedure where appropriate. HCC administers the tax issues (income tax and National Insurance) relating to the consultancy contract.

b. **Private consultancy** is where a member of staff contracts with the external client to provide consulting services in their own time in a personal and private capacity. Such contracts cannot benefit from the support of HCC nor use any of its facilities or resources. Staff undertaking private consultancy must be aware that they will have personal liability in the event of any problems arising. Private consultancy is not covered by HCC's professional indemnity insurance (see below), and so personal cover must be taken out. HCC will not accept liability if the external client seeks any redress. HCC does not administer any tax consequences arising out of a private consultancy arrangement.

9. Eligibility

a. There is no fixed maximum number of days per year allowed for the conduct of consultancy work. However, the Senior Leader or other person authorising consultancy work must ensure (see below) that the amount of work performed does not conflict with the staff member's responsibilities to HCC or prejudice the wider interests of HCC.

b. Staff may be involved in a Charity consultancy if approved by the Senior Leader and by their own agreement, freely given. This involvement must be additional to their normal duties, and take place at times other than those at which they are expected to perform their normal duties. In those circumstances, the Senior Leader may authorise additional payment from the consultancy income to be made, via the payroll system, to the member of staff concerned. Income tax and National Insurance will be deducted from all such payments.

10. Work for Outside Bodies Requiring Formal Approval

a. The following is an indicative, but not exhaustive, list of work for outside bodies for which prior written approval from the HCC is required:

- Charity and Schools consultancies (see below)
- the supply of goods or services to an outside body
- provision of Continuing Professional Development, teaching or training, where this is not part of HCC's portfolio of credit-bearing courses and programmes
- employment by outside bodies
- membership of a Public Body or Board of another organisation
- private consultancies
- directorships of companies and trusteeships of charities
- partnerships of any kind
- private professional practice
- charity and voluntary work during normal working hours
- regular journalistic work
- public service and appointment as a:
 - magistrate (Justice of the Peace);
 - member of a local authority or police or fire authority
 - member of national or the European Parliament
 - member of a statutory tribunal
 - member of NHS bodies, including Boards of Health Trusts, Primary Care Trusts and Strategic Health Authorities
 - member of a prison visitors or prison visiting committee
 - member of educational bodies such as School or College Governors

Conflicts of Interest

11. Where a member of staff undertakes consultancy, or other outside work for a third party, he or she must not be involved in any decisions regarding purchasing, sales, employment, ownership of assets (including Intellectual Property) or any other contract between that third party, its staff and HCC. Work for outside bodies must be conducted within the HCC's Ethics and Financial Policies and Procedures governing conflict of interest and conflict of commitment. These may also apply if the outside work is for a company or other body in which a family member is employed or has an interest.

12. Staff must declare in the Register of Interests any outside or other personal interest that may compromise or might be reasonably deemed to compromise impartiality, conflict with duty as an employee or could potentially result in a conflict of interests leading to private benefit.

Professional Indemnity, Insurance and Taxation

13. HCC will offer professional indemnity and insurance to a member of staff undertaking work for outside bodies relating to his or her professional discipline or the business of HCC, including charity consultancies, provided that prior written approval for the work has been granted by HCC and that the agreement or contract to undertake the work is between HCC and the outside body. HCC will also provide professional indemnity and insurance (to the extent of the cover) for its employees undertaking public duties for which formal approval is required and has been obtained. HCC will also be covered by insurance in these cases. However, HCC disclaims all liability in every case in which work for outside bodies is undertaken without prior written approval.

14. In all circumstances where permission is sought for work for outside bodies which is not covered by HCC's own insurance, HCC will require assurance that adequate cover is obtained to insure against potential risks, and will wish to have sight of valid policies, before permission is granted. Queries should be addressed to the Senior Leader. Despite the disclaimer above, HCC might, in some circumstances, be pursued for damages in respect of alleged incompetence of a member of staff undertaking work for outside bodies where permission has not been granted.

15. HCC will not provide professional indemnity insurance for a member of staff undertaking or involved in (note that this is an indicative, not exhaustive, list):

- private consultancies
- directorships of companies (except where such directorships are held in pursuit of HCC's business)
- partnerships (except when in pursuit of HCC's business)
- employment by outside bodies
- private professional practice

16. Employees undertaking such work must make it clear to their clients that they are doing so as a private individual and not as an HCC employee.

17. Employees are required to indemnify, and keep indemnified, HCC against all costs, claims, damages or expenses incurred by HCC or for which HCC may become liable as a consequence of outside work.

18. In all circumstances, the employee must declare their income from private consultancy or other outside work on all relevant tax returns to HM Revenue and Customs (HMRC). They must pay direct to HMRC any tax and National Insurance relating to their outside work and reimburse HCC any tax, national insurance, interest and penalties payable in connection with the work. Staff undertaking private work must

be aware of the current threshold for compulsory VAT registration and when required account for VAT directly to HMRC on all supplies of goods and/or services that they make.

19. HCC reserves the right to inform HMRC of any case where it becomes aware that staff have failed to report income from private consultancy or other outside work.

Earnings

20. It is a condition of approval of work for outside bodies that all earnings generated by that work are disclosed to HCC. In cases where the outside work is in the same professional area as HCC's activities, disclosure of earnings will in all cases be a condition of granting approval. No one person's professional standing and ability to generate outside earnings is independent of the support of colleagues and HCC, even though this support may not be direct. Hence, approval of outside work is conditional on any earnings being apportioned fairly to the individual and HCC. Such disbursements are subject to internal and external audit.

21. In most circumstances, HCC will allow all income received for approved work for outside bodies after HCC's costs have been covered in full to be retained by the individual employee. This may be either paid to the employee personally or transferred to an account held by HCC for the employee. All such accounts are governed by HCC's Financial Policy and policies on expenditure and the treatment of reserves. All personal payments must be made through HCC payroll, subject to deduction of income tax and National Insurance contributions in the normal manner. In some circumstances, however, for example where very large consultancies or contracts are involved, HCC may retain an appropriate share of the income generated in addition to that necessary to cover its costs. This issue will be addressed when the Senior Leader considers whether to approve the proposed consultancy.

Process for Approval and Monitoring of Consultancy and Outside Work

22. Members of staff wishing to undertake consultancy (whether Charity or private) or other work for an outside body for which formal approval is required must obtain prior written permission from the Senior Leader (or the Board of Trustees if the Senior Leader is seeking approval). This must be done before any formal agreement is made with the external client.

23. Members of staff wishing to undertake work for outside bodies for which approval is required must complete the External Consultancy Work Form (see Appendix A) and, if required, ensure that they declare any interest when forwarding it for authorisation. Full particulars must be supplied of consultancy work prior to its approval.

24. In the case of Charity consultancies, subject to the approval, a contract to undertake the outside work will be prepared on behalf of HCC by the admin team.

Approval of Charity Consultancy

25. Approval may be given for a Charity consultancy if:

- the work is in the general interests of HCC
- the work is in the area of expertise of the member of staff involved
- the full market rate is being recovered for the work
- the work can be undertaken without detriment to the individual member of staff's management of his/her existing workload/capacity
- no costs, including overheads, will fall on HCC which are not charged out to the external client
- the work is not likely to bring HCC into disrepute nor create unwarranted risks for HCC nor likely to conflict with the individual's commitments to HCC

- the issue of intellectual property has been addressed appropriately
- the work is compatible with HCC's charitable status

26. If the market rate is not being recovered, other benefits to HCC may exceptionally be taken into account. However, all direct and indirect costs incurred must be recovered.

27. With all Charity consultancy the member of staff must ensure that all materials used are aligned with, and promote, HCC's brand and brand values. HCC's name, logo and mission statement should be given prominence in line with brand guidelines.

Costing of Charity Consultancy or any Outside Work

28. The Senior Leader must approve the costing of any Charity consultancy or outside work, subject to approval by the Board of Trustees. This must be at market rates subject to other benefits being received by HCC. The fee will cover the consultant's daily rate, which must be equal to, or more than, full economic cost, plus all expenses and overheads. The total bill to the client must include the expenses of at least the full economic cost of all HCC facilities, equipment or the services of other members of staff required to complete the contract.

29. HCC will provide professional indemnity insurance to cover the contract and limit liability.

30. HCC will invoice the external client, receive all payments under any Charity consultancy contract and be responsible for chasing any payments in accordance with HCC's credit policy. For all Charity consultancies and other outside work, Charity sales invoices must be raised to external clients on the central finance system; the issuing of 'home made' invoices by staff is strictly forbidden.

31. Charity consultancy must always be priced to recover the full economic cost. This includes set-up and preparation costs and overheads. Minimum daily rates may be determined and published by HCC from time to time. Fee income from any Charity consultancy, i.e. after the deduction of all VAT and recovery of any full economic cost use of any staff costs and resources, will be allocated by the Senior Leader.

Approval of Private Consultancy

32. Approval may be given for private consultancy if all the conditions for a Charity Consultancy are met and if additionally:

- no HCC resources are being used, other than incidental resources
- the work will not conflict with the staff member's other duties
- the work does not put HCC in conflict of interest positions
- the work is done in the staff member's own time
- the applicant has provided evidence that they have obtained professional indemnity insurance to cover the work

Disclaimer for Private Consultancy and Outside Work

33. A member of staff must not use HCC's name, logo or intellectual property in connection with the negotiation of any contract for private consultancy or the provision of the private consultancy services or other outside work.

34. The member of staff must make it clear to the client, before any contract is entered into, that the consultancy or work is being performed in his/her private capacity. A suitable letter, which must not be on HCC stationery, would be:

"Dear Sir/Madam

Title of Consultancy / Outside Work

With reference to our previous discussions and correspondence, I must point out that, whilst my employer, Huntingdonshire Community Church, allows its staff to undertake private consultancies / outside work, nevertheless, once its approval has been given, it exercises no control or supervision over the actual performance of the work.

Consequently, Huntingdonshire Community Church cannot accept responsibility for the work which I do or the advice which I give in connection with it. This is given in a personal and private capacity.

Please acknowledge in writing the receipt of this letter and acceptance of the position.

Yours faithfully"

35. Work must not commence until a positive response is received to this letter. This must be retained and made available to HCC on request.
36. The member of staff must take out professional indemnity insurance and any other relevant insurance (e.g. business travel) to cover his/her liability for any private consultancy work.
37. Staff undertaking private consultancy or other outside work must not state or imply that they are acting on behalf of HCC. Letters, invoices and all other documents must not show HCC's letterhead, logo, name or address, and HCC telephone numbers and staff e-mail accounts must not be used for private work.
38. All correspondence should normally be sent to a member of staff's private address. An exception may be allowed in special circumstances, for example where documents are to be delivered by courier. This will only be permitted if:
 - The arrangement is approved by the person authorising the outside work, and
 - All documents are addressed "care of" HCC, and
 - The outside body involved has agreed in writing that HCC has no legal liability

Use of HCC Resources

39. Any HCC facilities, equipment, materials or services of other members of staff which are to be used for consultancy or other outside work must be identified in advance and written permission sought from the Senior Leader. Use of certain facilities or equipment for commercial purposes may fall outside the terms under which HCC is authorised to use such facilities or equipment. The price to be charged against the consultancy for the use of such facilities, equipment or other members of staff must be on an arm's length basis and be agreed with the relevant budget holder.

Intellectual Property

40. Any intellectual property generated in the course of a Charity consultancy or other outside work (except in the course of a private consultancy), other than copyright created specifically in the course of creating a report for the external client, must belong to HCC.

Failure to disclose or obtain approval for work for outside bodies

41. Failure to disclose or obtain prior written approval for work for outside bodies as required by this policy is regarded as a disciplinary matter and subject to HCC's disciplinary procedures. In addition, members of staff will not be indemnified or insured by HCC in circumstances where formal approval for work for outside bodies has not been obtained. Unauthorised use of HCC's facilities, materials and property could constitute serious misconduct and theft, and may be reported to the Police.

42. Disciplinary matters arising from the operation of this policy will be dealt with in accordance with HCC's existing HR procedures.

Appendix A: External Consultancy Request Form (TBA)

HCC Application to Undertake External Consultancy Work

1. Please complete all sections under Part 1.
2. Please ensure that you have read the '*Policy and Procedure for External and Consultancy Work Undertaken by Staff*' document.
3. Staff are subjected to an annual limit of 52 working days for time spent on External and Consultancy Work AND six-months basic salary for total remuneration from such works.
4. If the proposed Consultancy Work involves more than one member of staff, each member of staff is required to apply separately.
5. The application must normally be submitted at least one month before the work is to take place. Applications submitted later than this will only be considered if it can be shown that the work is urgent and important.

PART 1 – APPLICATION

A. Staff member's particulars

Name	
Current position	

B. Client organisation particulars

Name	
Address	

C. Details of the External or Consultancy Work

Is this application for Charity Consultancy or Private Consultancy work ? <input type="checkbox"/> Charity <input type="checkbox"/> Private	
Title of Consultancy Work :	

Brief description of the Work <i>(Please attach the proposal paper)</i>	
Benefits of the Work to the HCC	
Role of applicant	<input type="checkbox"/> Principal Consultant <input type="checkbox"/> Consultant <input type="checkbox"/> Co-ordinator <input type="checkbox"/> Support staff
Period of Work:	From: Click or tap to enter a date. To: Click or tap to enter a date.
Total time (hours) spent by the applicant during office hours	
Total time (hours) spent by the applicant outside office hours, if applicable and substantive	
Total number of days equivalent to be spent on the work by the applicant <i>(One working day = 7.5 hours)</i>	

Details of approved Consultancy Work undertaken this year by the applicant (*excluding this application*):

No.	Title of Consultancy Work	Period		Approved number of working days spent on the Work	Remuneration received for the Work (£)
		Start	End		

D. Use of HCC resources

Itemise HCC resources / facilities that will be used (*use a separate sheet if necessary*) :

E. Involvement of other staff members, if any (*to be completed by the Principal Consultant only*)

No.	Name	Post	Role in the Work	Hours spent on the Work

F. Summary of proposed fee chargeable to the client
(Please attach detailed costing of the work with this application)

Cost item	Multiplier	Sub-total (£)
Consulting staff fee		
All reimbursable costs	1.0	
Proposed price to the client (£)		
Proposed all-in daily rate (£/day) or training fee (£/participant)		

G. Proposed client payment schedule

H. Declaration			
<p>I confirm that the details provided in this application provide an accurate description of the work to be carried out, including its duration and the time to be spent on it.</p> <p>I will not hold HCC, its trustees, or any of its full-time or part-time staff or volunteers responsible or liable in any way for, and that no right of action shall arise from, any loss or damage (including, without limitation, personal injury or property damage) caused by or sustained as a result of my providing the consultancy services, whether through: (i) neglect on the part of HCC, or any of its full-time or part-time staff; or (ii) otherwise.</p>			
Signature of applicant:		Date:	Click or tap to enter a date.

PART 2 – RECOMMENDATION BY THE FINANCE MANAGER			
Comments by the Finance Manager:			
<input type="checkbox"/> I support the application		<input type="checkbox"/> I do not support the application	
Signature of Finance Manager:		Date:	
Name of Finance Manager:			

PART 3– RECOMMENDATION BY THE SENIOR LEADER

Comments by the Senior Leader:

I support the application

I do not support the application

Signature of the Senior Leader:

Date:

Name of the Senior Leader:

PART 4 – FOR FINANCE STAFF

Applicant's basic salary:			
Maximum allowable remuneration per year :			
Total remuneration paid to the applicant from previous consultancy work in the current year :			
PROPOSED DISBURSEMENTS			
Reimbursed costs to HCC (£)	Consulting Staff Fee charged to the client (100%)		
	HCC fund (10%)		
		Sub-total (£)	Applicant (£)
	HCC fund (30%)		
	Consulting staff (60%)		
Signature of Finance Manager:		Date:	