Procedure for University Consultancy 2026

This procedure replaces the Policy on External Professional Activities 2010.

1. Overview and purpose

i. Purpose: to support staff engagement in consultancy.

ii. Principles: The University of Sussex recognises the benefits of undertaking consultancy alongside 'core' activities and encourages staff to undertake these opportunities.

iii. Staff may undertake consultancy with support from the University ("university consultancy") or in a private capacity ("private consultancy").

iv. Benefits: The benefits of undertaking university consultancy include building relationships with stakeholders, creating personal and institutional profile, providing further opportunities for collaboration, student projects and graduate employment, supplying inputs to teaching, research and knowledge, building reputation, raising awareness of external developments, supporting KEF metrics, generating income reportable under the Higher Education Business and Community Interaction Survey (HEBCIS), and supporting professional and career development.

2. Scope

i. The procedure applies to all academic and professional services staff undertaking consultancy, whether working with commercial, public sector or third sector organisations.

ii. Broadly, consultancy may include:

a. **Commercial Consultancy activities**: these include provision of expertise for commercial purposes or contracted policy advice;

b. **Private Professional Practice**: e.g. medicine and law. Where a member of staff wishes to undertake private professional practice, they would do so under the same arrangements as for Consultancy, as set out in this Policy, except that they would need to have their own Professional Indemnity Insurance.

iii. These are valid activities that can contribute to an individual's portfolio of activity and their career development. The University is committed to the support of this activity, both as part of its knowledge exchange and civic engagement objectives, and as a means of developing its staff. This commitment is demonstrated by the level of time permitted, and the provision of relevant insurance.

iv. Undertaking consultancy may also lead to conflicts of interest, which should be managed under the standard provisions of the University's approach to conflicts of interest, by declaration via the individual's line manager.

v. **Outside the scope**

From time to time, academics may be asked to undertake activity that would be seen as a normal part of academic life. A stipend covering expenses incurred to participate in these activities may be agreed with the commissioning partner. This will be paid direct to the academic involved.

a. **Academic Professional activities**: these include external examining, editorships of academic journals, invited lectures or conference presentations (academic and non-academic audiences), academic conference organisation, publication of academic books and papers, refereeing for academic journals and presses, refereeing for research funders, one-off media interviews, newspaper articles; (income from prizes is treated as if it had arisen from an academic professional activity);

b. Activities undertaken in a **personal capacity** not related to an individual's employment, e.g. as a local councillor or a school parent governor, are excluded from this procedure, and a matter for the individual (although the University generally wishes to encourage its staff to be involved in their community). However, if the level of such activities were considered in the judgement of the Executive Dean/Director of Professional Services to be interfering or conflicting with an individual's delivery of their contractual responsibilities, the University may require the individual to restrict such activity.

c. **Public Service activities**: these include serving on relevant public, governmental and charitable bodies.

3. Definitions

i. The University of Sussex uses the Frascati definition of research: "Research and experimental development (R&D) comprise creative and systematic work undertaken in order to increase the stock of knowledge". Research work may be undertaken with a commercial partner, but this would be classified as 'contract research' according to the terms of our Costing and Pricing Research and Innovation Projects.

ii. Consultancy would not generate results or Intellectual Property (IP) the way a research project does, and the results from a consultancy belong to the client.

iii. "Consultancy" is defined as an activity where an individual provides the benefit of their personal knowledge, experience or skills to support or advise an external client for an agreed fee. It is *usually* undertaken on a sole basis, for a small number of days and makes no (or limited) use of University facilities.

iv. "**University consultancy**" is managed by the Consultancy Services Manager in the Innovation and Business Partnerships (IBP) team, part of the Division of Research and Innovation Services (RIS).

v. **"Private consultancy**" is where a member of staff undertakes consultancy directly with a client, either as a contractor or through their own limited company. This is permitted, but the staff member may not use University facilities, resources or name, and may not use their academic title. They will not be covered by University insurance, and they must make it clear to the client they are undertaking the work as a private individual. They will also need to undertake HMRC self-assessment for tax purposes, develop and issue their own contracts, provide their own insurance and raise their own invoices.

4. Eligibility and approval

i. Anyone with an employment contract with the University of Sussex may undertake consultancy, whether research, teaching or professional services staff. Members of staff are entitled to 30 days consultancy per financial year. Part-time members of staff have a pro-rated entitlement, unless additional days are approved by the Executive Dean / Director of Professional Services or designated delegate.

ii. All consultancy projects must be initially discussed with the consultant's line manager, who will consider the time commitment, use of University resources and any potential conflicts of interest.

iii. Consultancy must not be undertaken to the detriment of core activities, and as such is not included in a workload allowance. However, where an academic has capacity within their existing workload allowance, they may choose to undertake consultancy as part of this workload and devolve the fee to the Faculty, as with research projects.

iv. For private consultancy, after any conflicts of interest are declared, no further approval is required.

v. Approval for university consultancy is by the Director of Research and Innovation or authorised delegate, the Faculty Technician (where appropriate), the Finance Business

Partner and one of the delegated Worktribe approvers (eg. Head of School, Associate Dean Research and Innovation).

vi. A streamlined approval process is being considered[1] for small-value consultancies, less than £10,000.

5. Costing and pricing for university consultancy

i. All university consultancy must be costed using the Transparent Approach to Costing (TRAC) which calculates the full economic cost (FEC) of the University's operations.

ii. It is advised that consultancy is costed at 120-130% of FEC, as this reflects an appropriate day rate for commercial activity, although this may be reduced to 100% FEC for charities. Before agreeing a fee with a client, the consultant should contact the Consultancy Services Manager to determine an appropriate day rate.

iii. The price to the client should include the consultant's day rate, as well as any expenses (e.g. travel and subsistence). Consultancy projects do not usually require significant use of University facilities or equipment, but where they do, this should be charged to the client as an additional cost, and retained by the relevant Faculty, as outlined in the Facilities and Equipment Hire Procedure[2].

iv. VAT is applicable on commercial contracts.

v. Usually, 50% of the fee is payable on signing the contract and 50% on final delivery of the work, however for longer projects a different invoice schedule may be negotiated.

vi. For projects with a total value less than £1,000, it is recommended that the member of staff undertake this as private consultancy, as the administrative effort would be disproportionate to the scale of work and could be seen as excessive to the client.

6. Process for university consultancy

i. All university consultancy projects will be recorded in the University's management system (Worktribe) and maintained by Research and Innovation Services.

ii. The scope of work and deliverables will be negotiated between the individual undertaking the consultancy and the client, then provided to the Consultancy Services Manager.

iii. The Consultancy Services Manager is responsible for client due diligence, Worktribe set up and coordinating contracting and invoicing.

iv. Consultancy, as with all knowledge exchange activities, is subject to internal and external audit.

7. Contracting and legal

i. University consultancy work must not commence without an appropriate agreement in place, signed by an authorised signatory of the University of Sussex.

ii. The authorised signatory will be a senior member of Research and Innovation Services.

iii. A standard set of Terms and Conditions has been approved by the Research and Innovation Contracts team for use on university consultancy projects. It is recommended that all projects use these standard Terms and Conditions.

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[1] Following approval of the streamlined process, this Procedure will be updated accordingly

[2] Following approval of the Facilities and Equipment Hire Procedure, this Procedure will be updated accordingly

iv. Where the client requires the use of their own terms and conditions, these must be reviewed by the Contracts team before sign-off. The turnaround for review of an external contract is 3-4 weeks.

8. Financial arrangements for university consultancy

i. Income from university consultancy is devolved as per the University's Financial Regulations.

ii. Consultancy projects will be invoiced by the Research Finance team as per the schedule agreed in the contract.

iii. Where a consultant has available time in their workload, and with approval from the Executive Dean or authorised delegate, consultancy may be taken as part of that workload. In this case, the full economic cost will be retained by the School, and any surplus split 20% to the University, 40% to the School and 40% to the individual.

iv. For most consultancies, however, the work is done outside of workload. In these cases, costs charged to the project, including expenses or use of University equipment or facilities, will first be reclaimed.

v. The remainder of the income will be split: 85% to the consultant, 10% to the School or professional services division, 5% to the University.

vi. The consultant may receive their fee into their devolved account, subject to guidance set out in the Financial Regulations, or directly through payroll.

vii. Where the consultant takes their fee via payroll, employer on-costs, including employer National Insurance (NI) and apprenticeship levy, will first be deducted from the total. The remaining balance will then be processed through payroll and subject to the standard employee NI and tax deductions.

viii. For clarity, a fee taken into the devolved account is not taxed, but where it is taken as salary and processed through payroll, all applicable taxes are deducted including the employer's contributions to NI.

ix. Payment to the consultant will only be made after the customer has paid the invoice(s), and all other relevant costs have been met.

9. Insurance

i. Staff will only be covered by the relevant University insurance where the activity is declared as university consultancy, is approved before taking place, is operated under an institutionally authorised agreement, and where the staff member has not breached any University policy or relevant agreement. Whilst the University's insurance policies encompass most activities and locations, they do have some exclusions, and work involving the following should be referred to the Insurance section in the Finance Office before any agreement is signed:

1. Any clause that extends the liability of the University;
2. Where the risk of pollution / landfill etc. is increased;
3. Any work to be undertaken outside the UK;
4. Where a claim may be made in the courts of the USA or Canada or their territories or possessions;
5. Where there are conditions that restrict the right of recovery;
6. Where designs / specifications or advice in relation to aircraft or aerial devices is involved;
7. Where use of vessels or crafts is involved;
8. Where prototype machinery is being supplied;

9. Where the proposed activity is sensitive or high profile.

ii. The University's policies do not include cover for claims for penalties and liquidated damages. Acceptance of agreements including such terms will be a commercial decision on a case-by-case basis.

iii. If additional premiums are required, they will be a direct, first charge against the consultancy income.

10. Risk management

i. University consultancy must comply with all applicable University Policies, including but not limited to: institutional ethics policies; export control regulations; anti-bribery and corruption laws; data protection (GDPR).

ii. Consultancy is normally considered low risk to the University, as the member of staff performing the consultancy is undertaking the work in their own time (i.e. no teaching buy-out, and not allocated under workload), no Intellectual Property (IP) is developed, lab space or equipment is not normally used, and the money is not paid to the consultant until we have received payment from the client.

iii. The consultancy projects themselves are risk assessed by the consultant on Worktribe.

iv. The University's 2025 Risk Appetite Statement states that the University is OPEN to taking risks in its Research & Innovation activities, noting that with proportionate levels of control, it will consider activities to develop, improve performance, harness opportunities and be competitive. This procedure should be considered within that strategic context.

v. High-risk projects may require additional review.

11. Dispute resolution

If an internal dispute arises in relation to this procedure, and there is a need for adjudication, the matter shall be referred for a decision to the Pro-Vice-Chancellor for Research & Innovation, in collaboration with the Faculty Executive Dean / Director of Professional Services.

12. Related documents

- Financial Regulations
- Flowchart for Consultancy Process[3]
- Practice relation to extra curricular and outside activities
- IP Policy
- Professional Indemnity Insurance
- Costing and Pricing Research and Innovation Activities
- CPD Procedure[4]
- Facilities and Equipment Hire Procedure[5]
- Declaration of Interest Form

(Review date and proposed date of next review)

[3] Not yet approved
[4] Not yet approved
[5] Not yet approved