# **Innovation Leave Scheme for University spinout founders**

*The Innovation Leave Scheme enables founders of University spinout companies to be bought of* from all *or part of their University duties for a defined period of time, subject to the conditions and approvals set out below. Funding to the department for the buyout will be provided by the spinout company.*

**Background**

1. The Innovation Leave Scheme applies to founders of formal University spinout companies, created with support from OUI and in which the University holds a share of founder equity (defined as ‘University spinouts’ for the purpose of this document). It applies founders of University spinouts from the point of incorporation and normally within the first three years of incorporation.
2. The Scheme applies to founders of University spinouts who hold academic or research posts in the collegiate University. Such founders will have created intellectual property or know-how that is critical to the early success of the University spinout and to meeting the objectives in its business plan in the short term.

**Existing alternatives to the Innovation Leave Scheme**

1. There are a number of existing alternative options to the Innovation Leave Scheme for those staff who wish to spend time founding and developing University spinouts; the most appropriate option will depend on the circumstances, including the period and proportion of time that an individual wishes to spend working on the University spinout. These existing options include:
   1. Utilising the 30 days per annum allowance for consultancy and other paid outside appointments.

See: <https://hr.admin.ox.ac.uk/holding-outside-appointments>

* 1. Taking sabbatical leave. Those holding qualifying academic posts (i.e. Statutory Professor and Associate Professor) may use any accrued but untaken sabbatical leave before considering seeking leave under the Innovation Leave Scheme.

See: <https://hr.admin.ox.ac.uk/guidelines-for-leave-for-academic-staff>

* 1. Variation of Duties: those who hold Associate Professor posts, who wish to spend a proportion of their time establishing a University spinout can seek to vary their duties through the existing scheme.

See: <https://hr.admin.ox.ac.uk/files/variationofdutiesfullschemeagreedin2015pdf>

* 1. Seeking approval for a permanent change to part-time working hours.

or

Seeking a buyout from all or part of their University duties for a defined period of time under the Innovation Leave Scheme described below.

**Buyouts under the Innovation Leave Scheme**

1. The opportunity to pursue a buyout under the Innovation Leave Scheme should be considered in conjunction with (and not as a replacement for) the existing opportunities to manage competing demands on individuals’ time outlined above. Importantly, the ability to pursue a buyout of this nature should not be considered a right or entitlement of employment. It will be subject always to internal approvals as set out below and the willingness of the University spinout to provide relevant funding.
2. The buyout will be funded by the University spinout under a standard agreement executed by Research Services that sees funding transferred to the department of the founder. Where the University spinout is formed with investment from Oxford Science Enterprises (OSE), OSE will ensure that part of the initial funding into the company (from itself or other investors) will be provided with the intention of enabling such a buyout where this is required. The Scheme is not limited to cases where OSE invests, but would require the University spinout to otherwise fund the buyout to the department.
3. The period of the buyout will not exceed a maximum duration of 12 months other than in exceptional circumstances. All arrangements, including the duration and the FTE fraction (full or part-time) of the buyout, will be agreed by the founder, the University spinout, and the department. Divisional approval will also be required for those holding academic posts (Statutory Professor or Associate Professor). Where it is proposed that the buyout extends to college duties then this will need to be agreed with the relevant college (and in such cases funding to cover the buyout of any college duties should be included in the arrangement and should then be passed from the department to the college).
4. Requests to pursue a buyout should be made with as much notice as possible, normally at least three months’ notice.
5. For the avoidance of doubt, where approval of an external funder is required (such as where the founder holds research grants and contracts or where their salary is funded directly by external funding) then the approval of such bodies, where required under the terms and conditions of the grant or contract, must be secured before any buyout is agreed. Advice should be sought from Research Services in such cases.
6. The funding provided by the University spinout to the University and, where applicable, to the college will correspond to the relevant salary costs of the founder for the bought-out period, costed on a full economic cost basis (i.e. including indirect and estates costs). VAT will be charged at the applicable rate.
7. The employment status of the founder will be unchanged during the period of the buyout. They will continue to be salaried under their University and/or college employment.
8. Any personal consultancy work that the founder may wish to undertake during the buyout period will remain subject to approval through the standard University outside appointments procedure, which requires consideration of arrangements to manage any arising conflicts of interest. Where the founder is bought out by the University spinout on a full-time basis then approval from the University spinout to undertake consultancy work with other parties may need to be secured by the founder.
9. No sabbatical leave will accrue during the period of the buyout.
10. As noted above, approval to proceed with a buyout under this framework is subject to agreement by all relevant parties (founder, department, division, college and the University spinout, as appropriate). In considering such requests, amongst the matters to be borne in mind include:
    1. The career stage of the academic or researcher. Buyouts during the initial period of office (IPO) of academic postholders are discouraged as time away from research, teaching or administrative duties could impact adversely on the individual’s ability to demonstrate sufficient progress and achievement in all aspects of academic employment across University and college appointments considered at the end of the IPO period. If, in exceptional circumstances, a buyout is agreed during the IPO, the IPO should normally be extended by a period equivalent to that of the buyout.
    2. The contractual status of the founder. For example, for founders holding fixed-term posts in the University the ability to pursue a buyout may be more constrained where they are employed to work on a specific project and/or their University post is funded by external sources.
    3. Satisfactory arrangements being maintained or put in place for the supervision of research students, research staff and research groups.
    4. Satisfactory arrangements being maintained or put in place for the continuation of externally-funded research projects (see paragraph 8 above).
11. The founder seeking to pursue a buyout under this framework must ensure that the arrangements for managing conflicts of interest that arise, or might arise, are set out in a conflict of interest management plan that is approved by the Head of Department.
12. Departments (and colleges as applicable) will be free to use the funding received from the spinout as they see fit subject to the expectation that funds will be used at least in part to backfill teaching, research or other duties of the academic founder (thus ensuring that the workloads of existing colleagues are not impacted adversely during the period of the buyout). In the case of academic postholders, appointment of a departmental lecturer or stipendary lecturer (or similar) might be one approach taken.
13. The University will particularly encourage career development opportunities for early career researchers in taking on roles in the department (and college) during the buyout period of the founder.

**Contact**

University spinout founders considering may use of the Innovation Leave Scheme should in the first instance discuss this with the OUI Limited project manager supporting the creation of the spinout. Approval to proceed will be subject to the agreement of the individuals and parties set out above.