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| Managing responsibilities and interests for  University employees who are forming or  joining a company | _Pic1 |
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Introduction

Good management of responsibilities and interests is an important part of life and work at the University. This includes when members of the University are forming or joining companies to enable impact from their research. It protects the reputation of individuals and the University, guards against allegations of impropriety, is central to high standards of research integrity, and is an expectation of the University’s funders, regulatory bodies as well as the wider public.

*A conflict of interest is any situation in which the personal interests of a staff member or student, or interests that they owe to another body, may (or may appear to) affect that person’s decision-making or influence on University decisions or activities.*

The University of Oxford Statement of policy and procedure on conflict of interest states that all academic and other staff and students, external members of committees, and all others working in the University (including grant holders and emeritus and visiting researchers), and staff and directors of Univer­sity subsidiary companies have a duty to declare the interest at the time the conflict first arises, or it is recognised that a conflict might be perceived. In a committee meeting, a declaration should be made to the chairman before discussion of the relevant item. Otherwise, declarations should be made to the relevant person, as set out in paragraph 6 and Appendix A of the policy.

In managing the conflict of interest, the University’s Policy notes that one or more of the following strategies may be appropriate:

* not taking part in discussions of certain matters;
* not taking part in decisions in relation to certain matters;
* referring to others certain matters for decision;
* resolving not to act as a particular person's supervisor;
* divesting or placing in trust certain financial interests;
* publishing a notice of interest;
* standing aside from any involvement in a particular project;
* and/or declaring an interest to a particular sponsor or third party.

Oxford’s approach for conflicts of interest is to declare and manage the conflicts, not to avoid the activity altogether. The University wants to enable and support researchers to seek the maximum impact of their research outputs through a wide range of routes, including entrepreneurship and other outside appointments. It is not easy to ensure the conflicts of interest associated with this activity are well-managed; but generally the benefits outweigh the risks. Nevertheless, there are sometimes circumstances where conflicts of interest cannot satisfactorily be resolved and activities ought not to be undertaken.

I’m forming a company, why do I need a conflict of interest management plan?

Consideration of conflicts of interest is particularly important for company founders, who may have significant financial and legal interests in the company, as well as a natural emotional investment in the company they formed. Founders need to balance their involvement and responsibilities to the company with their ongoing responsibilities in the University and their academic work. Many of these issues apply equally to those involved with University subsidiary companies, even though they may not have a personal financial interest in the company.

If you are a director of a company, you will have significant legal obligations to further the interests of that company. When the company you founded, or are a director of, wants to do something with you (or your group, or your department etc), there is always going to be a possibility of conflicted interests - by virtue of the fact of your interest and involvement in the company, and your status as an employee of the University (or as a student or emeritus/visiting researcher). Therefore, you need to declare and manage these interests and find ways to step back from the decision-making where these interests conflict (or could give the perception of being conflicted).

The University’s conflict of interest policy1 sets out specific requirements, for those with a financial interest in a startup or spinout company with a connection to their academic environment and work (with or without University IP). Those involved must produce a conflict of interest management plan, to be re­viewed by Research Services (RS) and approved by the Head of Department.

Doing this properly requires thought and discussion with others, which takes time. It’s a good idea to start work on it in parallel with your planning for the new venture and as the shape of your activities with the venture become clear. Otherwise, there is a risk that late stage company formation activities will be held up by conflict of interest planning – no-one wants this to happen, and it is much preferable for it to be put in place at an earlier stage.

Good practice can look like this:

* Declare the interest each time - i.e. each time a situation arises where there is an interaction between you or the company and the University, you tell whoever needs to know that you have an interest in the company.
* You then do not take part in any discussion or negotiations on the legal or financial terms.
* There is an independent scientific person who colleagues, Department, RS, or Oxford University Limited (OUI) can go to if needs be. If the company is sponsoring a research programme in your University research group, a co-supervisor who has no connection to the company is appointed.
* You should not be the contact person on grant applications or committees etc for the compa­ny. Likewise, you should not sign agreements with the University on behalf of the company.
* You make sure that your research group and colleagues know about the plan for managing the conflicts of interest.
* You keep to the fore of your mind the interests of the University, i.e. yourself as employee of the University, people in your research group, colleagues, your Department etc.

This document sets out a series of questions to work through. We hope it will help you and your Department to think about the potential issues, as you start to prepare your management plan.

1. Set out all the roles, responsibilities and interests that you hold

For example:

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| *PI on research contracts  Roles in the department/institute Employee of University*  *Company 1: Shareholder, consultant, director New venture 2 also in planning* | _Pic2 | *Supervisor of students College responsibilities*  *Non-commercial interests or responsibilities*  *e.g. school governor, charitable trustee*  *Other commercial interests and/or outside appointments e.g. consultancy, advisory boards* |

1. Research

Think specifically about the new company and its interaction with your research.

What does the company have or need access to, at inception and in its first few years, and how will this be managed? If you have material financial interests in a company, you should not make sole decisions in regard to any transfer of any University assets (physical assets like materials, or intellec­tual property) to that company. You should involve your Department, RS and OUI as appropriate. This can include areas such as:

* Licensing of IP
* Supply of materials
* Transferring data
* Provision of expertise
* Supply of services or access to equipment

Does the company intend to fund or collaborate on research in your group?  
If so, how will you ensure independence of decision-making about:

* the pricing and terms of the research contract
* publication of results
* the supervision of students
* the use of time from staff employed under third party contracts
* integrity of other results and intellectual property arising from your research (including that funded by other sources), which should not “leak” into the company
* For sponsored clinical trials, there are ethical, governance and personal data considerations in addition to these topics, and it is therefore particularly important to ensure that conflicts of interest are scrupulously well-managed and transparent.

*Possible solutions:*

* *Department sets pricing in accordance with University commercially-funded pricing approach and RS negotiate research contracts with other com­pany personnel*
* *Independent co-supervisor or academic lead appointed*
* *IP to be declared and managed through OUI*
* *Outside appointment permissions sought and contractual arrangements managed through*

*OUI*

* *Decisions about company access to University assets to be made in conjunction with Head of Department and priced by department/RS/OUI as appropriate*
* *Ensure planning, managing and supervision of research within the University are not carried out through consultancy or directorship positions with the company*

Where will the company be based?

Talk to your departmental Head of Administration & Finance before making any promises about direct access for company staff to your research group or to University space and facilities. The company will be expected to operate from independent premises and not within University academic space. The University now operates an increasing amount of space available to commercial entities, such as at the Begbroke Science, the Bioescalator and at other incubator facilities, and this may be a suitable location for the company.

Suggestions to embed company-employed staff directly within your University research group should be avoided and will be resisted by the University. It gives rise to a number of issues including: the perception of (or actual) “leakage” of IP; the possible creation of jointly owned IP which creates complications; difficulties over maintaining confidentiality; potential personnel issues when staff undertaking similar work are on significantly different employment terms and conditions; use of academic IT networks, academic software licences and consumable suppliers where non-academic use is prohibited by the relevant licences or purchasing contracts; complications may also arise when hosting spinout employees or research funded by the spinout in newer buildings which were constructed without the payment of VAT.

In general, the use of “visitor agreements” are not suitable for use with spinout employees other than for short visits.

1. Departmental and other responsibilities

Spend some time reflecting on all the things that currently keep you busy in your Department and elsewhere (such as a College). What impact will there be on these activities, if some of your time will be taken up with the new interest?

Do you need to make any changes? Who do you need to talk to about this? Whose approval do you need to obtain and how long might it take it to secure this? Are there any possibili­ties for you to get some support for activities for which you have to continue your responsibilities? In all circumstances you should talk with your Head of Department, Head of Administration & Finance and OUI at as early a stage as possible.

4. People

Think about the people in the Department you have responsibility for or interact: your students, post-docs, technicians, support staff, your academic colleagues. Will they need to interact with the company, and if so how will this be managed? How can it be achieved without compromising the responsibilities and needs of those individuals? (E.g. to finish their DPhil, fulfil their role in the Department).

It is particularly important to avoid circumstances where individuals with power or influence over the careers of more junior members of staff might be able to use this influence to direct them to the benefit of an external company in which they have an interest. The maintenance of a strong, ethical and transparent research culture in the University is of paramount importance, and this extends to innovation activities.

If the company finds it needs to hire staff, how will you balance this need with the need for the department and University to be able to complete teaching and research programmes to which they are already committed, and maintain a high-quality research capability?

*Possible solutions:*

* *University outside appointment process followed and use of OUI Consulting Services to man­age contractual arrangements*
* *Ensure company recruits through open advertising*

5*.* Being transparent

Outside the University: declaring your University interests and responsibilities to your company and other commercial partners

How will you ensure that the other parties to whom you have obligations are also aware of your obligations and responsibilities to the University?

*Possible solution:*

* *undertake to make formal declaration of University interests and responsibilities to spinout company and others as appropriate, and to step aside from decision-making in the com­pany where it conflicts with your University interests.*

Inside the University: declaring your outside interests to your academic colleagues

How will you ensure that your colleagues, students, research funders etc. are aware of the existence of your conflicts of interest (not the financial details) and the plans in place to manage them?

*Possible solutions:*

* *declaration and management plan will be provided to all members of my group, to potential members to whom a position is being offered, and to others as needed*
* *declarations of interests will be made on all grant applications and publications, and where appropriate, management plans will be shared*

6. Solving problems as they arise

What mechanisms can you put in place to address new issues that come up, unforeseen at this time, or if others perceive a problem with the management of your interests?

*Possible solutions:*

* *Undertake to promptly raise issues for discussion with Head of Department*
* *Provide and publicise a route that doesn’t involve you, for others to raise concerns*

7.Review

Talk to your Department about an appropriate timeframe (for example in one year) to review the plan and associated arrangements:

* How has it all been working in practice?
* What issues have arisen?
* Are any changes needed?

You may wish to seek feedback to find out if your management of your interests is seen as being

effective.

8. Next steps and getting support

* Start by reflecting on the questions and topics listed here.
* Talk to your Head of Department, Head of Administration & Finance, supervisor or other appropriate senior person.
* Research Services can provide advice about good practice and will need to review your plan before it is finalised. They have staff focussed on each area of the University and will understand the concerns in your discipline.
* OUI can provide advice on the likely impact of commercial legal documents and obligations that go with being a company founder or director.
* The Department may seek advice from the Division or from the Conflict of Interest Committee as appropriate.

Useful websites

**1**. **Research Services**: <https://researchsupport.admin.ox.ac.uk>

* Research Integrity: <https://researchsupport.admin.ox.ac.uk/governance/integrity>
* Conflict of Interest: <https://researchsupport.admin.ox.ac.uk/governance/integrity/conflict> (this also includes links to further reading and interactive training)

1. **Oxford University Innovation Limited** helps to commercialise intellectual property arising from research conducted by the University of Oxford (e.g. patenting, licensing, spinout companies) and to identify and manage consulting opportunities: <https://innovation.ox.ac.uk/>
2. **The Charity Commission** provides a guide to conflicts of interest for charity trustees: <https://www.gov.uk/guidance/manage-a-conflict-of-interest-in-your-charity>