

## RESEARCH COUNCIL FOLLOW-ON FUND CALL FOR PROPOSALS

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The Follow-On Fund is supported by BBSRC, EPSRC, NERC and STFC.

The Research Councils participating in this call are:

NERC

Closing date for NERC proposals is 3 June 2010

This document describes the background to the Call, the criteria sought in proposals and the criteria by which proposals will be assessed.

### INTRODUCTION

1. One of the major barriers to the take up and commercialisation of research results arising from the science base is the lack of funds to demonstrate the commercial potential of ideas. The Research Council Follow-on Fund aims to increase the level and accelerate the rate of commercialisation of research ideas arising from the BBSRC/EPSC/NERC/STFC research community.
2. The Follow-on Fund will support further scientific or technical development and other activities essential to securing commercial opportunities such as licensing, seed or venture finance. Applications for Follow-on support must fall within the remit of one of the participating Research Councils and will draw substantially on the outputs of that Council's recent research funding.

### AIMS OF THE FOLLOW-ON FUND

3. The Fund is intended to provide financial support at the **very early or pre-seed** stage of turning research outputs into a commercial proposition. The idea or concept must have a clear potential for commercial application and usually a background patent will have been filed
4. This is 'the proof-of-concept' model, where further work on an idea will make the commercial potential evident to the market and so secure, for example, a spin-out (seed or venture finance) or licensing opportunity. This often takes small amounts of funds to enable activities essential to preparing a robust business plan.

### ACTIVITIES SUPPORTED

5. Follow-On Funding will support a range of relevant activities to enable the development and examination of a concept to establish its commercial feasibility and scientific and technical merit.

These might include:

- undertaking further scientific and technical development of an idea

- improving an intellectual property (IP) position, for example, through supporting further work to exemplify or broaden patent claims
- gaining further information about the market for the new products or process
- identifying potential licensees or opportunities for joint ventures
- turning datasets into useful products or services
- developing a service capability which could be exploited via a consultancy or other means.

These activities will be **prior to**:

- a full laboratory demonstration of the idea,
- pre-production and prototype
- the availability of commercial funds for development.

The Fund will specifically **not** support:

- 'blue sky' research
- applied research for companies
- associated intellectual property costs e.g. patent costs
- the purchase of larger equipment and capital.

6. Where appropriate, applicants are encouraged to secure additional sources of finance for the Follow-on project - for example from the host institution, or Regional Development Agency.
7. Applicants should consider whether an application for a 'Pathfinder' grant to undertake early stage work - such as a market assessment – before a 'full' Follow-on Fund application is submitted would be beneficial. This approach is strongly encouraged by NERC's Assessment Panel, which may ask to see the results of this preliminary work before recommending a full award.

## SCOPE

8. Applications must fall within NERC's remit (further information can be found at [www.nerc.ac.uk](http://www.nerc.ac.uk) ) and draw substantially on the outputs of recent NERC research support.

## ELIGIBILITY

9. This Follow-on Fund call is open to academics in UK Universities and Research Council Institutes to take forward ideas generated by research funding from BBSRC, EPSRC, NERC and STFC.

## SIZE OF AWARDS

10. The size of award will depend on the requirements of the proposed Follow-on project and the applicant's case for support. Under present arrangements for FEC, Research Councils will award 80% of the total grant value. **Awards will not exceed 12 months duration.**

## NATURE OF THE AWARD

11. Awards will be made in the form of a Research Grant and will normally be subject to standard terms and conditions. Further information can be found in the Funding Guide: <http://www.nerc.ac.uk/funding/application/researchgrants/>

## ASSESSMENT

12. Applications for funding will be assessed by a panel of experts in knowledge transfer in the appropriate science sector. All proposals must accord with the aims of the Follow-On Fund as described above. Other principal considerations will include:
- **Scientific quality:** the original research leading to the 'follow-on opportunity' must be based on previous Research Council research support and hence will have been subject to rigorous prior peer review. Research to be conducted under follow-on funds must be sound research, originating from a scientifically excellent programme;
  - **Commercial potential:** the commercial potential of the idea including: potential benefits to customers, market need (size of market, geographic spread and potential value, nature of competition, any gaps in knowledge), IPR position and strategy etc. Input from potential licensees/investors should be identified;
  - **Quality of the development plan, including clear objectives and milestones (both technical and commercial):** the plan must identify a plausible commercialisation strategy for the business idea and include evidence of how the project will be managed, including identification of milestones;
  - **Added Value: the application must describe how follow-on funding will enhance the prospect of commercialisation and/or increase the value of the technology.** There must be evidence to indicate that the project is cost effective and that funding is likely to render commercialisation more probable, or with the prospect of significantly greater exploitation value attributed to the technology, as a consequence of the follow-on project and in a cost effective manner.

## CONFIDENTIALITY

13. BBSRC, EPSRC, NERC and STFC will take all reasonable steps to ensure that the content of the Follow-on Fund proposals are treated as confidential. All panel members are required to sign a non-disclosure agreement (copy available on request).

## INTELLECTUAL PROPERTY

14. All intellectual property arising from the project will be subject to the same conditions as the original research grant (as detailed in the following document): <http://www.nerc.ac.uk/funding/application/researchgrants/>

Ownership and responsibility for exploitation of any intellectual property rests with the host institution. In the case of applications from NERC employees, intellectual property rests with NERC.

### **INVOLVEMENT OF LOCAL TECHNOLOGY TRANSFER OFFICES**

15. All applications for Follow-on Funding **must be through the host institution's Technology Transfer Office** or equivalent who must provide a letter of support with the application.

### **EVALUATION**

16. A final report will be required for all funded projects and will be evaluated against the Project Objectives and Milestones, as set out in the application.

### **HOW TO SUBMIT AN APPLICATION**

17. Please refer to the **Research Council Follow-on Fund Application Form Guidance Notes** for details on preparing and submitting an application to the scheme. Applications to NERC are now received through Je-S.

### **ANY QUESTIONS**

18. If you have any questions about the Follow-on Fund please contact Andrew Richardson: e-mail [ajri@nerc.ac.uk](mailto:ajri@nerc.ac.uk) Tel 01793 411526, or at Polaris House, North Star Avenue, Swindon SN2 1UH.