

STFC FOLLOW-ON FUNDING: Rules & Regulations

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. STFC's Follow-on Funding aims to increase the level and accelerate the rate of commercialisation of research ideas arising from the STFC grant funded research community and from the scientists and engineers employed at the STFC Institutes.
2. Follow-on Funding 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 draw substantially:
 - (a) on the outputs of that Council's recent research grant funding; and/or
 - (b) work undertaken at STFC Institutes

AIMS OF FOLLOW-ON FUNDING

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.

ELIGIBILITY

5. STFC Follow-on Funding is open to:

(a) Academics in UK Universities and STFC Institutes to take forward ideas generated by research grant funding from STFC (additionally CERN and ESO researchers are eligible for this scheme); and

(b) Scientists and Engineers employed at STFC Institutes. .

N.B. Specific eligibility criteria apply for [CERN researchers](#) and [ESO researchers](#).

ACTIVITIES SUPPORTED

6. 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 (for STFC Institutes this includes opportunities based upon commercial access to facilities)
- identifying potential licensees or opportunities for joint ventures.

These activities will be **prior to**:

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

Follow-On Funding 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.

7. Where appropriate, applicants who are STFC grant funded are encouraged to secure additional sources of finance for the Follow-on project for example

from the host institution, Devolved Administration, Regional Development Agency or charitable organisations.

SCOPE

8. Applications must fall within the remit of the STFC and draw substantially on:
(a) the outputs of recent STFC grant funded research; and/or (b) build upon activities or work undertaken at STFC Institutes

ASSESSMENT

9. Applications for funding will be assessed by panels of experts in knowledge transfer in the appropriate science sector. There will be separate panels for applications from Academics and STFC employed scientists and engineers. All proposals must accord with the aims of the Follow-On Funding as described above. Other principal considerations will include:
 - **Scientific quality:** the original research leading to the 'follow-on opportunity' from an Academic must be based on previous STFC research support and hence will have been subject to rigorous prior peer review. Research to be conducted under Follow-on Funding 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 (a) the project is cost effective and (b) that funding is likely to either (i) render

commercialisation more probable, or (ii) significantly enhance the exploitation value of the technology.

OPERATION OF THE SCHEME

10. There are detailed differences between the operation of the scheme depending upon the category of the applicant and these are detailed the table below.

Academics in UK Universities and STFC Institutes	Scientists and Engineers employed at STFC Institutes
FOLLOW ON FUNDING CALLS AND APPLICATIONS	
There are quarterly closing dates (early January, April, July and October). The actual dates are available on the STFC website. Applications must be made through Je-S	There is an open call and applications may be submitted at any time.. The applications forms are available from the STFC intranet
SIZE OF AWARDS	
The size of award will depend on the requirements of the proposed Follow-on project and the applicant's case for support. Proposals should not exceed a total value of £110K at 100% of full Economic Costs (FEC). Under present arrangements for FEC, Research Councils will award 80% of the total grant value. Awards will not exceed 12 months duration.	For initial IP based and wider commercial opportunities, such as those based on facilities access or selling other products or services, the proposal should not exceed £125k. Guidance on the inclusion of overhead and other costs are available on the STFC Intranet
NATURE OF THE AWARD	
Awards will be made in the form of a Research Grant and will normally be subject to standard terms and conditions (as detailed in the STFC Grant Handbook);	Awards will be made in the form of an authority to spend against a Council budget code
INTELLECTUAL PROPERTY	
All intellectual property arising from a project from an Academic and funded through a grant will be subject to the same conditions as the original research grant (as detailed in the STFC Grant Handbook);	All intellectual property arising will be vested in STFC
INVOLVEMENT OF LOCAL TECHNOLOGY TRANSFER OFFICE	
All applications for Follow-on Funding must be supported by the host institution's Technology Transfer Office or equivalent	All applications must be supported by the Institute's Technology Transfer Office, or equivalent, and the Institute's Departmental manager(s) who have authority to allocate departmental resources to the project
EVALUATION	
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	A summary project closure report will be required for projects of less than £50k and a more detailed Project Final Report for projects with a higher value. Report templates are available on the STFC intranet
CONFIDENTIALITY: STFC will take all reasonable steps to ensure that the content of Follow-on Funding proposals are treated as confidential	

All panel members assessing applications from Academics are required to sign a non-disclosure agreement (copy available on request).	
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