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## THE COLLABORATION FUND CALL FOR PROPOSALS

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The Collaboration Fund is financed by EPSRC and managed by Finance South East Ltd (FSE). All enquiries should be directed to FSE; contact details are provided under Section 17 of this document or please refer to the FSE website ([www.financesoutheast.com](http://www.financesoutheast.com)) for additional information.

### 1. INTRODUCTION

The EPSRC Collaboration Fund is a pilot funding initiative with aim of facilitating the exploitation of economic outcomes deriving from research that has previously benefited from EPSRC grant support.

**Grant support will only be provided to projects that involve a research organisation in collaboration with at least one commercialising entity.** The focus of this collaboration should be the commercial exploitation of EPSRC supported research and the transfer of knowledge from academia to industry.

### 2. AIMS OF THE COLLABORATION FUND

The Collaboration Fund aims to support the transition of ideas arising from EPSRC supported research into commercial applications. The intention is to enhance academic engagement with companies and industry and to facilitate economic impact at the highest level.

The Fund will support technical and business development necessary for the technology to become market ready. The Fund will not finance early stage research or applications that suggest a technology 'push'. It will be necessary to demonstrate market need and support from industry.

### 3. ACTIVITIES SUPPORTED

The Collaboration Fund will support a wide range of activities which can be demonstrated to further advance the research or technology to the point of commercial exploitation within the award period.

These activities might include, but are not limited to:

- Developing a prototype with the involvement of a commercialising partner;
- Undertaking trials and testing with a commercialising partner;
- Technical development that will offer a competitive edge or improve points of differentiation;
- Incorporation of the technology into an existing product, service or process;

- Market research which validates the commercial strategy and route to market;
- Undertaking an assessment of potentially competing technologies to validate unique selling points;
- Undertaking product demonstrations to potential customers or evaluation of the technology by potential end users.

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.

Where appropriate, applicants are encouraged to secure additional sources of finance for the project, for example, from the host institution, commercialising partner or Regional Development Agency.

#### 4. ELIGIBILITY

This call is open to academics in UK research organisations that must be eligible to hold Research Council grants and be working with at least one commercialising partner.

**Proposals submitted under this call should draw substantially on the outputs of research that EPSRC has previously supported through its standard research grants.** It is a requirement that the research grant(s) from which the ideas arose be identified during the application process. The relevant research grant(s) must be held by the Applicant University. Joint applications between UK research organisations will be accepted.

Projects arising from studentships (including EPSRC funded Doctoral Training Grants, CASE including Industrial CASE, Engineering Doctorate Centres, Collaborative Training Accounts, Master Training Packages and KTP awards) are **not eligible** to apply to the Collaboration Fund.

#### 5. COLLABORATING PARTNERS

An eligible collaborating partner is a UK based organisation that will add value in terms of aiding the commercial exploitation of the innovation. The collaborating partner is expected to provide significant project support, in terms of its financial/ in kind contribution, access to the market and market knowledge. There are no limitations on the size, in terms of turnover or the number of employees, of the commercialising partner.

The Collaboration Fund expects that participants in a collaborative project will develop a collaboration agreement to clarify the commitment, contributions and rights of each partner. A **Heads of Terms** document outlining the key terms of the collaboration agreement with the collaborating partner must be submitted with the Full Application. If this is successful, FSE will require the submission of a full **Collaboration Agreement**

**prior to final approval** of the grant. Applicants will be required to submit this within 3 months of receiving a positive response to the Full Application. The Collaboration Agreement must be found acceptable to FSE and must not conflict with the terms and conditions under which EPSRC research grants are awarded.

Further information about collaboration agreements and template documents are available via this link [www.innovation.gov.uk/lambertagreements](http://www.innovation.gov.uk/lambertagreements).

## 6. SIZE OF AWARDS

Awards will not exceed £100,000 (before fEC has been applied). The scale of the proposal should be appropriate to the concept and aims of the Fund. The size of award will depend on the requirements of the proposed project but all costs must be fully justified should the applicant be invited to apply at the Full Application stage of the assessment process. The expectation is that successful applicants will be funded for up to 12 months (exceptionally up to 18 months) after which time the technology should be ready to be commercially exploited and 'go to market'.

## 7. NATURE OF THE AWARD

Awards will be made in the form of an EPSRC Research Grant and will be subject to standard terms and conditions. Proposals should be costed in the normal way at Full Economic Cost (fEC). Further information about fEC can be found on the EPSRC website.

## 8. ASSESSMENT

Assessment of Collaboration Fund applications operates in two stages. Potential applicants are firstly invited to submit an Expression of Interest form, details of which can be found on the FSE website. If successful, applicants will then be invited to submit a Full Application.

Proposals will not be peer reviewed by external reviewers. All applications for funding will be assessed by FSE using an expert Panel with particular experience in the commercialisation of research. The panel will assess all proposals using the criteria set below. There will be no postal review stage in the assessment process (therefore, no reviewer comments will be fed back prior to the meeting).

**All proposals must accord with the concept and aims of the Collaboration Fund as described above.** Other principal considerations will include:

**Added value of collaboration:** the applicant must demonstrate a commercial collaboration that offers added value to the exploitation of the innovation. If an application reaches the Full Application stage, a Heads of Terms must be submitted with

the completed application form with a view to a full partnership or collaboration agreement before the project starts. A sample Heads of Terms document is available on the FSE website.

**Commercial potential of the idea:** the assessment will be concerned with the market size and the market need to be addressed and its growth prospects within the medium term.

**Exploitation prospects:** the assessment will focus strongly on the exploitation strategy which should clearly present the proposed route(s) to market, including an outline of the market channels.

**Technical risk assessment:** the knowledge to be transferred should be suitably developed beyond basic research and theoretical aspects. An applicant should be able to demonstrate that the grant will be focused on proving the concept of the technology for a specific industry application.

**Project Viability:** there should be a sound strategy in place to execute the project including realistic timeframes and project outcomes.

**Product differentiation:** the assessment will consider points of differentiation of the product, service or process against those of key competitors and the likely impact upon the industry or sector.

**Economic impact:** each applicant will be required to forecast the likely economic impact including jobs created, the number of license agreements, the value of license income, increases in profitability and revenues, and third party investment secured.

**Environmental/ social impact:** applicants that can demonstrate a positive impact for the environment and/or the norms of society will be considered more favourably.

**Financial Additionality:** evidence of funding and investment from other sources that leverages the EPSRC grant will be considered more favourably although matching funding is not a pre-requisite.

**Timeframes:** projects should not exceed 12 months in duration (exceptionally 18 months) and project outcomes and/ or impacts should be capable of demonstration within no more than 12 months from the end of the project (i.e. 2 years from start date of the project).

## 9. CONFIDENTIALITY

Recognising that proposals may be commercially sensitive, FSE and EPSRC will take all reasonable steps to ensure that the contents of Collaboration Fund proposals are treated as confidential. There will be no postal review stage and all panel members that may be external to FSE or EPSRC will be required to sign a non-disclosure agreement.

**Please note: for all funded projects, the following details will be transferred to publicly available databases:**

- title and project summary
- name of research organisation
- name of investigator(s)
- name of the Collaborating Partner(s)
- the value of the Research Council contribution
- start and end dates and duration of the award

Applicants should ensure that the **title** and **summary** of the proposed project are worded in such a way as to protect any commercially confidential or sensitive areas and should be agreed with all Collaborating Partners.

## **10. INTELLECTUAL PROPERTY**

Applicants to the Fund must have appropriate rights to all the intellectual property that the project seeks to exploit. Any intellectual property arising from the funding will be subject to current standard EPSRC grant conditions, that is, ownership and responsibility for exploitation of any intellectual property rests with the host institution.

**Please note: The applicant university must own all, or at least a significant proportion, of the background IP that is essential to the success of the project.**

Please note that there are no limitations regarding licensing of the intellectual property to a Collaborating Partner during or after the project.

If ownership of the IP has already been transferred to a spin-out vehicle or another company you will not be eligible to apply.

Joint applications from two universities are acceptable where they share ownership of the IP.

## **11. INVOLVEMENT OF LOCAL TECHNOLOGY TRANSFER OFFICE (TTO)**

It is expected that the Technology Transfer Office (TTO), or equivalent, will have been approached and are actively involved in advising on the commercial aspects of proposals. The **Technology Transfer Office must provide a supporting statement** at the Full Application stage that indicates their commitment to support the commercialisation and confirming the strength of the Intellectual Property position (including freedom to operate).

## **12. EVALUATION**

FSE will maintain a focus on outcomes, particularly the measures of economic impact, and will undertake ongoing project monitoring. Each collaborating partnership will be accountable for achieving the agreed project outcomes and will be obliged to complete milestone report forms reporting areas of economic impact.

FSE will collect milestone report forms from each project at agreed intervals so that progress can be monitored. Milestone reports will be independent from grant payments.

Following project completion, the success of the project and the final outcomes will be evaluated. FSE will then require twice yearly reports from the grant recipient for a further 3 years so that longer terms impacts and outcomes from the grant can be collected.

### 13. MENTORING

Every application is strongly encouraged to consider the use of a mentor as part of its project team. Mentors are available via FSE, which will match mentors to projects based on the industry sector, needs, size and stage of the company, skills and experience of the mentor, their background and sector experience, location and availability.

All mentors are highly experienced professionals from a diverse range of industry backgrounds. All are successful entrepreneurs with hands-on experience of business development and knowledge of the wider issues associated with delivering business growth. They have access to a variety of wide-ranging networks and can share their own experiences from a broad spectrum of disciplines, industries and skill sets. All mentors have been carefully selected and have undertaken specialist mentor training provided by FSE.

Mentors will work with the project team and will offer rolling post investment support in an impartial and objective capacity. The mentor and project team will communicate regularly (via face to face meetings and electronically [e.g. telephone and email]) to review progress against the plan and provide ongoing management coaching.

Mentoring costs will be supported by EPSRC (up to a maximum of £3,000) and are determined based on the length of the project. All EPSRC grants will include an element to cover mentoring costs; this funding cannot be used for any other purpose.

### 14. THE APPLICATION PROCESS

Applications will be managed through Calls for Proposals. There will be three calls per annum for two years. The ongoing call timetable is listed in the following section. Each call will be open for a period of 6 weeks. In the first instance, applicants are invited to submit an Expression of Interest (EoI) document. This is available for download via the FSE website ([www.financesoutheast.com](http://www.financesoutheast.com)).

All applicants are strongly advised to inform their respective Technology Transfer Office of their intention to submit an application to the Collaboration Fund.

The EoI submission will be reviewed against the Funds assessment criteria as well as the quality of other EoIs received. Following this review, which will take no longer than 2 weeks, you may be invited to submit a Full Application or your EoI may be declined.

If you are invited to submit a Full Application, the documentation will be sent to you via email. You must return your Full Application within 4 weeks. A deadline date will be sent to you with the Full Application documents. You will receive a decision on your application from FSE within 4 weeks after you have submitted the Full Application. **A Heads of Terms or Memorandum of Understanding between the collaborating partners will be required with the Full Application form. If this is not received, your application may not be progressed.**

If your Full Application is approved, it will be submitted to EPSRC who will offer a standard research grant to the research organisation in the normal way. Prior to the

issue of a grant award letter, FSE will require the collaborating partners to agree and sign a full collaboration agreement that sets out fair and reasonable terms of the relationship over the project period. A signed copy will need to be submitted to FSE no later than 3 months after your grant has been approved.

## 15. ECONOMIC IMPACT

From April 2009, applications for EPSRC funding will need to address the issue of the potential economic impact.

The Research Councils describe impact as the demonstrable contribution that excellent research makes to society and the economy. This accords with the Royal Charters of the Councils and with HM Treasury guidance on the appraisal of economic impact. Impact embraces all the extremely diverse ways in which research-related knowledge and skills benefit individuals, organisations and nations by:

- Fostering global economic performance, and specifically the economic competitiveness of the United Kingdom.
- Increasing the effectiveness of public services and policy
- Enhancing quality of life, health and creative output.

In accordance with the assessment criteria, applicants to the Collaboration Fund will be required to forecast the nature and extent of the economic impact the project will have as outlined above. Where possible quantitative measures should be forecast, for example, numbers of jobs created, jobs safeguarded, the potential value of income and/or profits to the University and collaborating partner.

## 16. CALL TIMETABLE

### Call 4

Call Opens	Monday 8 <sup>th</sup> March 2010
Closing date for Expressions of Interest (Eoi)	Thursday 1 <sup>st</sup> April 2010 – 5pm
Invitations for Full Applications	Friday 23 <sup>rd</sup> April 2010
Closing Date for Full Applications	Friday 21 <sup>st</sup> May 2010 – 5pm
Anticipated Funding Decisions	Friday 18 <sup>th</sup> June 2010

### Call 5

Call Opens	Monday 5 <sup>th</sup> July 2010
Closing date for Expressions of Interest (Eoi)	Friday 30 <sup>th</sup> July 2010 - 5pm
Invitations for Full Applications	Friday 27 <sup>th</sup> August 2010
Closing Date for Full Applications	Friday 24 <sup>th</sup> September 2010 – 5pm
Anticipated Funding Decisions	Friday 29 <sup>th</sup> October 2010

**Call 6**

Call Opens	Monday 8 <sup>th</sup> November 2010
Closing date for Expressions of Interest (Eoi)	Friday 3 <sup>rd</sup> December 2010 – 5pm
Invitations for Full Applications	Monday 20 <sup>th</sup> December 2010
Closing Date for Full Applications	Friday 4 <sup>th</sup> February 2011 – 5pm
Anticipated Funding Decisions	Friday 25 <sup>th</sup> February 2011

**17. ANY QUESTIONS**

All documentation and enquiries relating to the Collaboration Fund should be sent to FSE NOT EPSRC. If you have any questions about this call or the Collaboration Fund, please contact:

- **Asim Zahir**, Fund Executive, on [asim.zahir@financesoutheast.com](mailto:asim.zahir@financesoutheast.com) or 01276 607304.
- **Dr Samantha Decombel**, Fund Manager, on [samantha.decombel@financesoutheast.com](mailto:samantha.decombel@financesoutheast.com) or 07775 420125.

Or write to: FSE Ltd, Riverside House, 4 Meadows Business Park, Station Road, Camberley, Surrey, GU17 9AB.