

An update on the independent review of university spin-out companies

30 November 2023

The government's Independent Review of University Spin-out Companies was published on 21 November 2023. The independent review's **11 Recommendations** aim to accelerate and further unlock the potential of UK university spin-outs to enhance the economic and societal impact of university stimulated innovation.

The UK government has accepted all the independent review's recommendations and are now working on proposals (along with other stakeholders) to support their implementation. This will include providing access to new funding, continuing to develop guidance and best practice with stakeholders like Tenu and assisting the development of shared technology transfer offices (TTOs) to further boost spin-out growth and support across the UK.

TenU, the international collaboration of ten TTOs of the world's leading universities, as well as other leading UK universities and affiliated organisations have warmly welcomed the independent review's recommendations and the Government's response.

Some of the specific proposed support includes:

- Providing a new £20 million proof-of-concept fund to support universities and future founders to de-risk technology.
- Establishing a new Growth Fund within the British Business Bank.
- Research England will review the Higher Education Innovation Fund (HEIF) to ensure commercialisation functions in universities are appropriately funded and incentivised. HEIF should be used to reduce the need for universities to cover the costs of Technology Transfer Offices (TTOs) from spin-out income.
- Create shared TTOs to help build scale and critical mass in the spin-out space for smaller research universities. These could be operated through collaboration with established university TTOs and could be implemented at a regional or sector-wide level. Research England will run a dedicated competition as part of its Connecting Capability Fund to seek and develop proposals for pilot approaches to sharing TTOs. The competition will launch in Spring 2024 with interested universities being asked to submit an expression of interest, and, with expert support, develop pilot projects.
- Continuing reforms to help unlock further access to finance for university spin-outs by continuing to deliver the Mansion House Reforms to free up potential investment opportunities into spin-outs from pension funds and capital markets.

University Spin-out Investment Terms Guide

The independent review also placed emphasis on the University Spin-out Investment Terms (USIT) Guide, launched by TenU in April 2023. The USIT Guide was a set of recommendations to improve the speed and efficiency of university spin-out formation, which focused on the life sciences sector.

The independent review recommended that organisations like TenU should widen the USIT Guide practice and its recommendations to other sectors. TenU have confirmed its intention to continue to share effective practices with the sector and the Government as well as setting out its commitment to continue to lead discussions and provide support on developing templates for software and other technologies, the creation of a national register of spin-outs, access to training to founders amongst other strategies.

Collaboration and available support

Browne Jacobson continues to collaborate with and provide support to universities, spin-outs and founders alike as they navigate the wide array of legal and commercial challenges that universities and spin-outs face on their growth journeys.

For example, we are collaborating with the University of Nottingham's socio-linguistics team on a knowledge exchange partnership which [you can find out more about here](#).

We also offer support and resources for spin-outs, start-ups and founders through our [GROW legal support programme](#).

Please get in touch for bespoke support and advice if you're considering a spin-out opportunity.

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