

UK government and the Wellcome Trust shore-up British universities

The world's biggest charity, the Wellcome Trust, is joining forces with the British government in two major efforts to support University-based research in the UK. In a response to recommendations made last year by the Dearing Commission on Higher Education (*Nature Med.*, 4; 539, 1998 & 3; 1185, 1997), and following the completion of a broad review of public spending priorities, Wellcome and the government are providing £300 million (\$500 million) each over the next three years towards building new university research laboratories and refurbishing existing ones (*Nature*, 394; 209, 1998).

The new infrastructure fund will be open to applications from researchers in all disciplines. But those in biological and biomedical fields are expected to be particular beneficiaries, both because the Wellcome Trust can only support such fields, and because the government has chosen the life sciences in general, and what it calls "post-genome science" in particular, as a top priority for future Research Council funding. An additional £400 million will be given to the Councils by the government to fund new projects in these areas.

The money is part of a £1.1 billion investment intended to "transform the science and engineering base, modernize the UK's research performance and help boost economic growth."

They are also combining to promote greater entrepreneurial thinking in British universities—particularly in biomedical and electronics departments—by providing money for setting up 'seed funds' to turn research ideas into potential commercial products.

Universities have been given until the end of October to apply for backing for the latter scheme from a new University Challenge Fund, whose details were announced on June 24th. The government is putting £20 million into the fund, matched by £18 million from Wellcome and a further £2 million from the Gatsby Charitable Foundation.

Between 15–20 successful university applicants will each be awarded an initial lump sum of £2–4 million to set up their

own University Challenge seed fund. This will make money available to researchers for activities such as developing prototypes of potential products and drawing up business plans. "We have been concerned at the lack of seed funding available to help universities turn laboratory discoveries into workable prototypes," says David Cooksey, chairman of Advent, one of Britain's earliest venture capital investment companies, and a governor of the trust. "We want to see universities producing more such prototypes and understand their possible role in the market place."

The minister for Science, Energy and Industry, John Battle, says an important difference of the new scheme, compared with others such as the National Research and Development Corporation (NRDC) set up by a Labour government in 1949, is that whereas the NRDC tried to identify potential 'winners' itself, the new scheme leaves the initiative to universities. "It is a 'bottom up', rather than a 'top down' process," he says.

The idea is said to have come from the universities themselves, many of which complain that they cannot use research council grants, and lack sufficient internal funding, to develop research results to a stage that makes them attractive to potential investors. This critical step has also been recognized by the Treasury. "We need a more vibrant entrepreneurial culture in academic life and a more scientifically streetwise business community," says Geoffrey Robinson, the paymaster-general.

Universities will be expected to supplement the money they receive from the central fund with an additional 25 percent raised from other sources. They will then distribute this money across a range of individual projects, each receiving up to a maximum of £250,000.



John Battle



Mike Dexter



David Cooksey

Any money earned through, for example, licensing intellectual property would be plowed back into a university's seed fund. But the government has agreed that if the capital value of this fund—which it hopes will become self-sustaining—eventually exceeds three times the original seed capital, the extra money can be used by universities for other purposes.

However, several aspects of the scheme remain open. For example, there is no commitment by either the government or Wellcome that the initial capital investment will be topped up in future years. Nor is it clear how much success the fund will have in raising contributions from other charitable bodies, most of which are far less wealthy than Wellcome, and happy to see it foot the bill.

But Cooksey says he is convinced that, even as a one-off exercise, the new scheme will have a significant impact on British universities, as well as the national economy. "This fund is going to create a whole new wave of companies that are going to exploit biomedical and other technologies in this country," he says.

Mike Dexter, who has just taken over as director of the Wellcome Trust, considers the new scheme to be in line with the desire of its founder, the pharmaceutical entrepreneur Sir Henry Wellcome. Not only does the initiative support biomedical research but it also ensures that this research benefits society. "We have for some time been aware of the funding gap in translating ideas into a form in which they would be taken up by a venture capital community, and eventually used to prevent and treat disease," he says. "We also hope that this fund will help to keep good ideas in Britain; too often, research carried out here is taken up and commercialized by foreign companies."

Wellcome is already in the process of setting up a separate body, to be known as Catalyst Biomedica, which is aimed specifically at helping universities develop commercial products out of research funded by the Trust, for example, by providing management expertise and advice on intellectual property.

DAVID DICKSON, LONDON