



Government Office for  
Technology Transfer



# The Knowledge Asset Commercialisation Guide

May 2025





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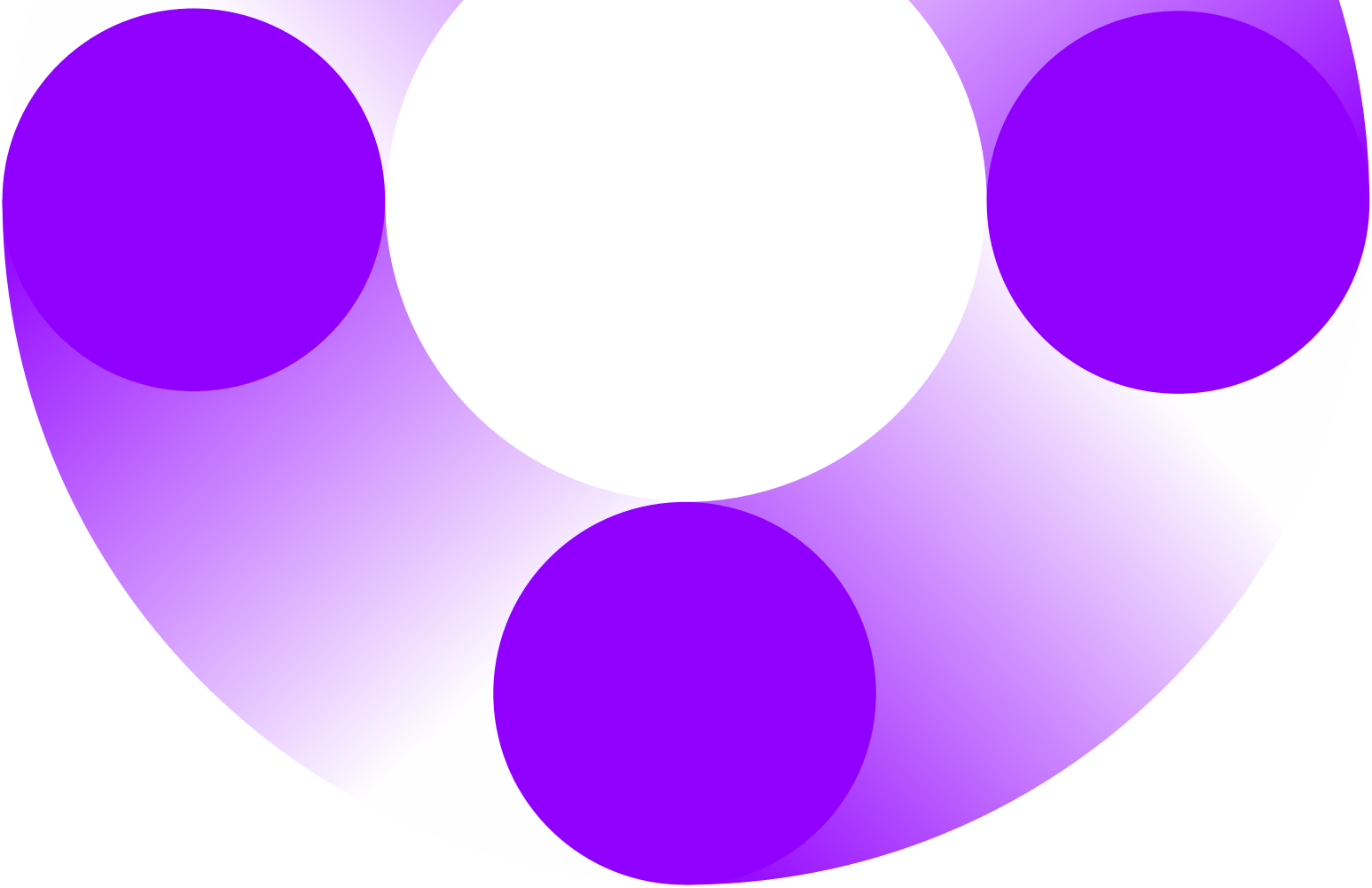


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# 1.

# Introduction

The purpose of this guide is to support public sector bodies (PSBs) seeking to commercialise Knowledge Assets (KAs) and, in turn, fulfil their responsibilities as set out in Managing Public Money (MPM), particularly the duty in A4.15.8 to identify, protect, and maximise the value of their KAs.

1 To note, “Public Sector Body” is also a technical term used in the Re-use of Public Sector Information Regulations 2015 to define which bodies are subject to those Regulations, visit section 7.4 of the [Re-use of Public Sector Information \(RPSI\) Regulations](#)

2 <https://www.gov.uk/government/publications/knowledge-asset-senior-responsible-owner-guide-to-appointing-and-the-role>

Whilst the specific approaches set out are not mandatory, it brings together good practice from within and outside of the public sector, to help fulfil the relevant duties within MPM.

Organisations in scope are those headed by an Accounting Officer who is responsible for upholding MPM. These organisations are mainly those classified as central government by the Office for National Statistics, but others will be in scope.

In this guidance these organisations are referred to as PSBs<sup>1</sup>. Organisations out of this scope may still find this guidance useful.

KAs are intangible assets including intellectual property (IP) such as patents, copyright, software, trademarks, know-how, and data. Understanding what is involved will help inform choices around exploitation routes and provide a ready framework for when a commercialisation opportunity arises.

The primary audience is those responsible for KA management in PSBs, including Senior Responsible Owners and KA managers<sup>2</sup>. It also contains information for other PSB staff involved in KA management and commercialisation, including finance, governance and sponsorship teams.

Note, this is overarching guidance and PSBs should always seek specialist functional advice, including legal, when considering commercialising KAs.

Commercialisation of KAs, derived from public sector innovation, can offer significant social and economic benefits for the UK.

It is a valuable activity and within the remit and duties of all in-scope organisations, under MPM, not solely those with explicit commercial objectives.

## Guidance Structure

This guide covers common considerations across the breadth of commercialisation routes, which include direct sales, licensing, joint ventures, and spinouts.

Visit the [Knowledge Asset Spinouts Guide](#) for comprehensive guidance on spinout creation.

Both guides have been developed in collaboration with government departments including HM Treasury and Cabinet Office; Arm’s Length Bodies including the Intellectual Property Office, The National Archives and National Audit Office; and external experts including investors and leading UK universities.

If you have questions about how to implement this guidance, please contact [GOTT@dsit.gov.uk](mailto:GOTT@dsit.gov.uk).



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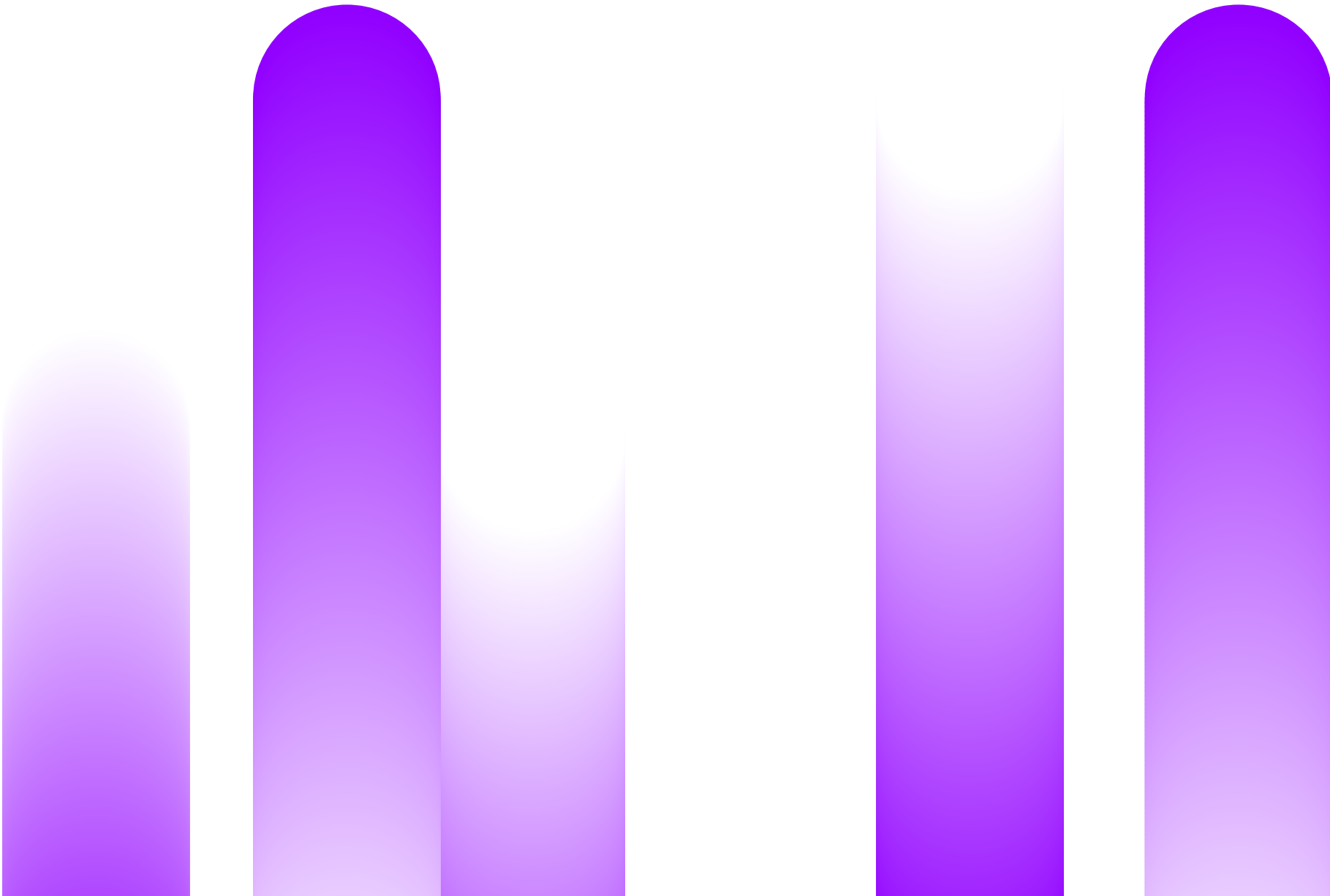
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## Why Commercialise Knowledge Assets?



**Commercialisation is a way to deliver value to citizens and the economy through bringing new or better products and services to the market.**

Specifically, for this guide, this means the process of bringing new products or services to market. For the avoidance of doubt, development of the commercial (and technical) offering to achieve this is required but not considered commercialisation itself.

The public sector’s KAs can have significant value beyond their original purpose. By commercialising these assets, organisations can unlock financial, economic, and social benefits. This includes generating revenue, creating jobs, and improving public services.

Commercialisation can stimulate further development and applications of innovation. This can lead to new products, services, and technologies, which can directly benefit citizens, and create spillover benefits for other areas of the economy.

Revenue generated from commercialisation can support the PSB’s and wider public finances and allow for reinvestment in other public sector priorities.

For PSBs themselves, commercialisation can help to build relationships with private sector partners, other governments and PSBs, and international organisations which can enhance reputation, and collaboration.

Commercialisation can lead and contribute to core organisational strategy, for example by helping to build the financial resilience of the organisation or magnify the impact of existing activity.

It can also benefit PSBs and their staff through professional development, broadening of networks and increased entrepreneurship.



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# Quick Start Guide

The Table below sets out actions for PSBs to undertake in preparation for engaging in KA commercialisation.

Detailed guidance for each of these sections is discussed later in this guidance.

Topic	Description	Responsible/Involved		
		PSB	Innovators/Founders	Other
PSB Policy Framework				
These should form part of a PSB's <u>Knowledge Asset Management Strategy</u> (KAMS)				
Rewards to Innovators Policy	Describe: <ul style="list-style-type: none"><li>How innovators will benefit from returns from licensing</li><li>Circumstances in which innovators may receive equity in a spinout and the conditions that apply (including any requirements to waive rights to other forms of revenue share)</li><li>How the PSB will benefit and manage returns from licensing and sale of its equity in spinouts</li></ul>	<div>✓</div> <div>(Relevant PSB Official)</div>		
Spinout Policy	This may be part of the PSB’s Commercialisation Policy.  Describe the decision-making process for spinout approval and equity share including the approach that the PSB will take to distributing equity between the parties.  This may be a set value or an agreed upon approach for deciding the split.  Confirm that the PSB has appropriate vires as delegated by Parliament to establish and take equity in a spinout.	<div>✓</div> <div>(Relevant PSB Official)</div>		
PSB Employees: Secondment policies or ‘principles’	Document the ways in which PSB staff can associate with external organisations, including licensees and spinouts.	<div>✓</div> <div>(Relevant PSB Official)</div>		



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Topic	Description	Responsible/Involved		
		PSB	Innovators/Founders	Other
Conflict of Interest Management Procedures	<p>Document how PSB will minimise actual or perceived conflicts of interest for itself and for PSB staff in relation to engagement with an external organisation (established or spinout) including:</p> <ul style="list-style-type: none"><li>• Staff as consultants</li><li>• Staff as part-time secondees</li><li>• PSB and staff involved in joint R&amp;D projects</li><li>• Use of facilities or equipment</li><li>• PSB, staff or close friends or families as shareholders</li><li>• PSB and staff involvement with spinout governance e.g. as board observers or non-exec directors</li><li>• PSB procurement of products or services from a spinout (which must comply with the <b><u>procurement regulations</u></b>)</li></ul>	<div>✓</div> <div>(Relevant PSB Official)</div>		
<div>Complete IP Due Diligence</div> <div>Visit: <a href="#">Management of Intellectual Property</a></div>				
Confirm staff contributions to creation of relevant KA	Document the percentage contributions of inventors. This will help to determine how revenue is shared or allotment of shares to founders (in the case of a spinout).	<div>✓</div> <div>(Relevant PSB Official/Legal adviser)</div>		
Obtain Confirmatory Assignment from inventors	Legal document that confirms that the employer owns rights to the KA to be licensed.	<div>✓</div> <div>(Relevant PSB Official)</div>	<div>✓</div>	
Ensure that PSB has the right to license the IP	<p>Assess whether there are any 3<sup>rd</sup> party ownership rights or other commercial rights that might impact ability to license or wider freedom to operate. If so, this needs to be first resolved.</p> <p>Where Crown copyright or Crown database right materials are involved, liaise with The National Archives to ensure that any necessary delegation of authority to license Crown rights is agreed.</p>	<div>✓</div> <div>(Relevant PSB Official/Legal adviser)</div>		<div>✓</div> <div>The National Archives</div>
Ensure rights are appropriately registered where applicable	Confirm all registrations are correct and any upcoming deadlines identified, including scope for registration in relevant territories.	<div>✓</div> <div>(Relevant PSB Official)</div>		



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Topic	Description	Responsible/Involved		
		PSB	Innovators/Founders	Other
Decide on Commercialisation Strategy				
Identify the Objective and Desired Outcomes	Identify goals of commercialising a KA and what the objective of commercialisation should be.  Identify alignment to the PSB strategy and objectives including how this aligns with the PSB’s responsibilities under <b>Managing Public Money</b> (primarily section A4.15.8).	✓	✓	
Evaluate KAs	<ul style="list-style-type: none"><li>Evaluation of the KAs (visit Annex B of the <b>Rose Book</b>)</li><li>What is the product or service that could be created?</li><li>What are the development requirements prior to commercialisation?</li></ul>	✓ (Relevant PSB Official)	✓	
Identify the Market Opportunity	<ul style="list-style-type: none"><li>Who are the customers?</li><li>What is the size of the addressable market?</li><li>Determine the preferred route to market</li><li>Engage in more detailed Market Research and iterate the value proposition (visit section <b>Market Research</b>)</li></ul>	✓ (Relevant PSB Official)	✓	
Consider the value proposition	Develop an ‘offer’ that you would want to pitch to potential customers, licensees, or investors; what value are you creating for them and what benefits do they get from having access to your KA?	✓ (Relevant PSB Official)		
Team and resources	Who will be involved in the commercialisation?  What required capability does the PSB have or lack to support the commercialisation?  What funding may be required to enable the necessary technical and commercial development of the KA for it to be mature enough for commercialisation, and what sources are available?	✓ (Relevant PSB Official)	✓	
Diligence on Commercial Partners				
Research background prospective partners including licensees or investors (visit the <b>Spinouts Guide</b> for more detail on investors)	Identify previous business activity and identify any potential conflicts of interest.  Understand partners’ objectives (e.g. it would be counterproductive to license to a company seeking to block competing technology).  Use companies house to look for appointments as directors’ positions or persons of significant control.  Evaluate any risks and assess how they will be mitigated.  Determine whether <b>export controls</b> and the <b>National Security and Investment Act 2021</b> are applicable.	✓ (Relevant PSB Official)		



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Topic	Description	Responsible/Involved		
		PSB	Innovators/Founders	Other
Approval Process Visit: <a href="#">Approval Process</a>				
Early functional engagement	Creating a spinout is a cross-functional endeavour and the PSB should ensure that all relevant functions including legal, finance, commercial and HR are engaged early to inform the approach.	  (Relevant PSB Official and functional leads)		
Early engagement with PSB ExCo	<p>Gain approval <b>in principle</b> for the commercialisation route from executive committee or SRO appointed for the specific commercialisation.</p> <p>Note, a PSB may have appointed an <b><u>organisational SRO</u></b>, responsible for leading the PSB's <b><u>Knowledge Asset Management Strategy</u></b>, who can support this. They may or may not be the same SRO for the commercialisation activity.</p> <p>Where a PSB is undertaking regular commercialisation, seeking general approval to explore opportunities with an agreed scope and what risks or opportunities require greater governance involvement can streamline the process.</p> <p>Prepare an executive summary of the opportunity to facilitate discussion, detail:</p> <ul style="list-style-type: none"><li>• Commercial opportunity</li><li>• Why this route is recommended and other commercialisation options considered?</li><li>• Proposed licence heads of terms</li><li>• How this aligns with the PSB's responsibilities under <b><u>Managing Public Money</u></b> (primarily section A4.15.8)?</li><li>• How this aligns with the PSB's responsibilities under the Reuse of Public Sector Information (RPSI) Regulations?</li><li>• What approvals have been provided to date?</li></ul>	  (Relevant PSB Official/ SRO or ExCo)		
Delegation of authority from The National Archives	If the PSB intends to license Crown copyright materials to the spinout outside of Open Government Licence terms, it will need a delegation of authority from The National Archives.	  (Relevant PSB Official/SRO)		  The National Archives
HM Treasury	<p>If undertaking a novel commercialisation (e.g. first spinout), engage HM Treasury spending team to determine if HM Treasury approval is required.</p> <p>For Arm’s Length Bodies, this will be via their sponsoring government department.</p> <p>Agree what subsequent commercialisation activity would require HM Treasury involvement and, ideally, agree that subsequent similar activity would not require further HM Treasury approval.</p>	  (Relevant PSB Official)		  Sponsor Dept (where applicable)



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Topic	Description	Responsible/Involved		
		PSB	Innovators/Founders	Other
Approval from PSB executive or appointed decision maker to execute license	Gain formal approval from executive committee or appointed decision maker. Agree what authority is delegated for ongoing management of the approved commercialisation activity. A delegated authority matrix can support this. Prepare a more detailed summary of the opportunity for approval, building on the initial, in principle, paper.	✓  (Relevant PSB Official/PSB decision maker or ExCo)		
Security	Ensure appropriate security risks to the company and PSB have been assessed, and suitable mitigations are in place/will be put in place by the company as appropriate.  Assess the relevant security regimes.  Visit section <b><u>8.4. Security</u></b> for more information.	✓  (Relevant PSB Official)	✓	

Please contact **GOTT@dsit.gov.uk** if you have or are developing any of the policies identified above for support, and to enable GOTT to understand and help advance public sector KA capability.





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# Commercialisation Options

When evaluating the potential to commercialise KAs, it is important to consider the possible commercial models and routes that may be available to a PSB.

First consider whether the KA is suitable for commercialisation. What are the intended goals and will commercialisation or routes such as publication through **Open Government Licence** (OGL), or wider dissemination through non-commercial pathways, e.g. academic publication, or re-use applications across the public sector be the most suitable way to support wider adoption and use of the KAs?

It is worth noting, that open dissemination strategies can prevent or restrict future commercial exploitation, or indeed wider adoption of KAs in cases where potential users may lack the commercial incentive or resources to maintain and deliver a product or service.

Whilst not always the case, this commercial incentive can often only be achieved by providing access through protected, or defensible intellectual property which conveys a competitive market advantage.

If commercialisation offers the best approach to delivering intended goals for the KA, the plan to pursue a particular commercialisation route will need to be informed by:

- Ongoing market research
- Potential customer feedback
- Where a spinout is planned, potential investor feedback?
- The PSB's capability to pursue a particular route (i.e. do they have or can they source the necessary expertise and capacity)
- Innovators' desire to pursue a given route
- The technical and commercial maturity of the proposition

This will be an iterative process and does not all need to be done simultaneously with a single decision point, for example primary market research will typically follow secondary, and may inform a different preferred approach.

For each option discussed below it is recommended that you evaluate the Potential Benefits, Issues and Challenges, and Resources to Consider, which apply to the unique context, position of the PSB, and the KAs in question.

Note, if a PSB is seeking to receive revenue from commercialisation of KAs, including revenue from licensing, dividends, equity investment etc., the activity will need to be within the scope of the PSB's **ambit**.



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## 4.1. Direct Sales: Development and Commercialisation In-house

A PSB may choose to focus on pursuing further development and exploitation of its KAs solely in-house. This may be through established mechanisms or the creation of an internal 'business unit' dedicated to supporting the commercialisation of a set of KAs by finding partners, executing contracts, and delivering services. Alternatively, this activity can be outsourced to external providers (particularly to provide commercial expertise).

Note, where development and commercialisation will be managed in-house, this will require the relevant expertise, including technical and commercial to meet the needs of potential customers and commercial partners.

### Potential Benefits:

- A direct revenue stream to the organisation could potentially be generated from any subscription, licensing or consultancy fees generated by monetising the KAs.
- The option to pursue other commercial models later can remain available, whilst the PSB team continues to build value from the KAs and gain customer feedback.
- The PSB has greater influence in selecting the customers and beneficiaries of its products and services, and the precise nature of the product or service that it provides.
- Providing services to other organisations outside of the PSB may lead to the creation of new IP. This will need to be identified, managed, and protected where appropriate. The development of the commercial value proposition within the PSB could enable further accumulation of expertise in the area of interest. This could, for example, help to develop the brand and reputation for the service whilst associated with the public body (though any potential negative impacts on brand must also be considered).

### Potential Issues and Challenges:

- Resources for developing a full commercial offering inside a PSB could be constrained by headcount limits or available expertise, structures and resources. Ongoing investment required to maintain the product or service and its relevance to customers is likely to be dependent on grant-in-aid settlements or other established income streams, or the ability of the PSB to reinvest generated revenue back into the development the product or service. An inability to allocate investment back into a product or service could slow down or pause commercialisation activity. Limitations on financing and resourcing can also limit scalability and may be a motivating factor behind licensing to an existing entity or creating a new entity.
- The KAs may have potential to be applied in other industries that sit outside of the PSB's remit. As a result, opportunities to utilise the KAs more widely could be limited if all activity remains within the PSB.
- A PSB may need to manage conflicts of interest if the PSB is actively monetising KAs with users who have other commercial or non-commercial relationships with the PSB. This may be especially pertinent for PSBs with a regulatory function.
- If the goal of commercialising KAs in-house is to trade with organisations outside of the public sector, the PSB will take on liability for the delivery of those goods and services.

### Resources to Consider:

- In addition to building and resourcing a team to develop the KAs into a commercial proposition, resources, including contracting specialists, would also likely be required to manage any commercial agreements with 3<sup>rd</sup> parties.
- A business development or sales function may need to be expanded to pursue opportunities for new commercial partners and to grow a client base for products or services.
- Significant legal and IP advice is likely to be required for management of IP rights (registered and unregistered), identification, exploitation and also to ensure compliance with Crown Copyright and the Reuse of Public Sector Information Regulations 2015.

### Further Considerations:

- A PSB will need to weigh-up whether they are best placed to commercialise KAs and whether there are alternative parties.





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## 4.2. Licensing Knowledge Assets

Provided KAs can be identified and itemised, it can be possible to secure one or more licence agreements with external parties who could then take the lead on further developing and commercialising these assets or may be the end users.

Licensing KAs is preferable to assigning or selling KAs since through licensing, a PSB retains ownership and some measures of control of the KAs and can specify the purposes for which the KAs are used. This is particularly the case where Crown copyright or Crown database right materials are involved, and a delegation of authority may be required from the Keeper of Public Records.

If an asset is assigned or sold, the PSB no longer has influence over who uses the assets, or how they are used. The PSB will not be able to take back the KA if the assignee or purchaser fails to commercialise it or begins to (mis)use a KA for purposes other than the intended use. Unless a licence is granted back to the PSB, they will also lose the right to utilise the asset.

### Types of Licence:

Licences can be exclusive, sole or non-exclusive.

An exclusive licence grants rights to a single licensee and means the licensor (PSB) will not grant licences to other parties.

In an exclusive licence, the PSB will not retain rights to ongoing internal use and development, even if not seeking to exploit externally, unless expressly provided for.

When this is provided for, this is a ‘sole licence’. It is similar to an exclusive licence in that it grants rights to only one licensee, but the licensor (the PSB) retains the right to use and exploit the IP.

An exclusive field or territory specific licence grants exclusivity for a licensee within a specific field of use or in a specific jurisdiction.

A non-exclusive licence means that the licensor (PSB) retains the right to grant further licences to other parties to use the same asset.

Licensing can therefore be a useful way to maximise the impact and use of an asset in a specific field, industry or territory, as well as for generating income.

Licensing considerations apply equally to whether the licence is to an existing external party (one or more licensees) or to a new entity.

### Benefits:

- This model offers a monetisation route for the KAs with less resourcing than the PSB itself providing the goods or services to end users.

- Provides economic value to the licensee.
- A regular revenue stream from commercial licences might be achieved for the PSB.
- It might be possible to license IP non-exclusively, thereby avoiding any issues surrounding the PSB entering an exclusive arrangement with a single entity.
- It might be possible to license the IP in specific fields and territories for different licensees.
- It might be possible to agree access to new services or IP developed by the licensees (based on any licensed IP) for use within the PSB.

### Issues and Challenges:

- Depending on the function of the PSB, conflicts of interest might arise if the PSB is actively monetising IP through licensing e.g. if the PSB has a regulatory function in that industry.
- Though IP can be non-exclusively licensed to several licensees, it is often necessary to work with a single licensee through an exclusive licence in order to give them the commercial incentive to invest in the development and commercialisation of the KAs.
- Care needs to be taken to find appropriate licensees with shared objectives.
- The licensee will need to be given sufficient confidence in the KA to enable them to take a licence.
- If providing an exclusive license, then the approach to selection and terms will need to be compliant with the **subsidy control regime**.

- Valuing IP, which is often early stage, and data can be difficult. Benchmarking against similar deals in the sector where available, or accessing expert advice, can be helpful.

### Resources to Consider:

- Whilst this commercial model is likely the least resource intensive option for a PSB in the near term, some resources would still be required to:
  1. Identify, protect and manage KA available for licensing.
  2. Continue to manage the KA and/or manage decision-making and cost recovery from the licensee(s). In some situations, the PSB may allow the licensee to manage the KA and the PSB will have sight of decisions taken by the licensee or may be engaged in some agreed decision-making such as dropping of claims, which territories to pursue etc.
  3. Seek out commercial licensees and negotiate and finalise commercial terms.
  4. Manage the ongoing relationship with licensees including managing income, ensuring reporting and adherence to licence obligations.
  5. Transfer knowledge or know-how to the licensee for them to be able to effectively commercialise the KAs under licence.
- Significant amounts of legal and other professional advice may be required to shape any licence agreements, ensure their compliance with legislation such as the Copyright, Designs and Patents Act 1988 and the Reuse of Public Sector Information Regulations 2015.



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### 4.3. Formation of a New ‘Spinout’ Venture

A spinout company may be created to take on further development of a KA for commercialisation as a service or product. This is detailed in the [Spinouts Guide](#).

For this option, the new company will have shareholders who benefit from taking equity in the company. This will be detailed in the shareholder agreement along with other company formation documents that explain how the company will operate and be governed. A licence to the relevant KA(s) from the PSB to the company would also be required.

#### Potential Benefits:

- A new company has the potential to move quickly in the market and can seek private investment to accelerate development of the KAs, products or services. This is critical to maximise the potential of the opportunity and compete in a rapidly developing market where competing solutions may be emerging.
- A new company can take on the financial and commercial risk associated with onward development and commercialisation of the KA(s), which a PSB may be unable to accept.
- A separate company can provide a vehicle in which further KAs could be developed and maintained for commercial purposes.
- A spinout may provide more confidence than a license to an existing company that commercialising the KA will be a priority.
- A dedicated commercially focused team will be formed within the new company to complement expertise within the PSB team, which may be made available to the company by a variety of mechanisms (visit The Founding Team and Attracting Talent section of the [Spinouts Guide](#)).
- A new venture might provide a practical solution to manage any conflicts of interest that arise through the further development of KA and the PSBs public mission or regulatory function, as the two areas of focus would be separated.
- The company could enter other markets and capitalise on a wider range economic, financial and social benefits the technology has to offer.

- It might be possible to agree access to any new product, service, and IP developed by the new venture for use within the PSB.

#### Potential Issues and Challenges:

- The new company would likely need significant input from the existing PSB team, particularly in its early days, which could take resource away from day-to-day priorities of the PSB or require sourcing of external expertise.
- External investment will be required, which requires time and appropriate resourcing to access.
- The time to get a product to market can be longer than, for example, licensing to an existing company, as a new entity has to be created and establish the necessary capabilities (in-house or via partnerships) to deliver a commercial solution.
- Whilst the PSB would likely take shares in the new venture, there can often be a lag between spinout formation and any monetary return on the value generated by the new venture. The KA licence to the spinout can offer a route for financial return ahead of a spinout exit.
- The board and management of the company will lead and control the direction of travel including KA development. This reduced control of the KA exploitation by the PSB can bring reputational risk. Therefore, the PSB should identify early key risks and mitigations (e.g. whether to licence the PSB brand, appropriate governance arrangements including appointing a director to the spinout’s board).





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- The process for setting up a new venture requires careful consideration and planning across multiple dimensions, as is the case for starting any new business.

For example, matters that would need to be addressed (visit the [Spinouts Guide](#)) include:

- Founding shareholdings in the new venture and corporate governance arrangements (for e.g. appointment of directors).
- A suitable licence to background IP for the venture to commercialise.
- Arrangements for staff to be involved in the new venture in some capacity.
- An investor willing to back the new venture financially and on suitable terms.
- Access to facilities, equipment, or space operated by the PSB, if relevant.
- It is also likely that anyone involved in the new venture from the PSB will need to declare potential conflicts of interest in relation to their involvement in the company. This may include, but is not limited to, staff holding equity or those acting as consultants, advisors and as directors to the company. These conflicts of interest may need to be actively managed by the PSB, which could be resource intensive and lead to reputational risks arising.

**Resources to Consider:**

- A spinout company typically requires sufficient de-risking of KAs beforehand, to enable raising of investment. It may be necessary for the PSB to undertake technical development, including by providing

- or accessing proof of concept funding (such as GOTT’s [Commercialising Knowledge Assets Fund](#)), ahead of spinning out to develop the KA such to give investors enough confidence that the spinout won’t fail due to technical risks.
- The spinout will need a management team to take the business forward. The prospective CEO should ideally be engaged early to support business planning and fundraising activities for the venture and be incentivised for their involvement e.g. through equity in the spinout (but not employed by the PSB as a CEO). Resources will be required to search and engage advisors and prospective management.
- Laying the foundation for a new spinout venture requires significant input from the internal team in the PSB. Activities they might be able to assist with include initial business planning, providing technical commentary on existing solutions and consulting regularly with the prospective management team of the new venture. Some may be involved in helping develop the proposition and pitching to investors. Giving the team some time and resources to support these activities will be needed to help the opportunity progress.
- In time, if a new venture is to be formed, significant legal and financial advice will be needed to support in the drafting and finalisation of governance arrangements for the new company and its relationship and interactions with the PSB. This will include advice on legal arrangements such as the shareholders agreement and licence. More general governance input might be required to help determine e.g. how existing members of the PSB will interact with the new company and how any conflicts of interest might be managed.



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### 4.4. Formation of a Joint Venture (JV)

This proposed route has many similarities to that of forming a spinout company, however, in this scenario, the PSB partners with an existing 3<sup>rd</sup> party to set up a new jointly owned venture. Both organisations take shares in the new venture and enter into a JV agreement to outline how the venture will be run.

#### Benefits:

- Partnering with an existing entity (potentially with an existing customer base) could support developing the commercial proposition and generating customer traction for the KAs at an early stage.
- The 3<sup>rd</sup> party may also support technical development, reducing the burden on the PSB team members, compared to in-house or a standalone new venture.
- Less investment might be required compared to a standalone by leveraging the resources of the JV partners, note there may be a need to consider Subsidy Control compliance depending on the legal status of the JV, including how a JV partner is sourced.
- It might be possible to agree access on favourable terms to any new service and IP developed in by the JV for use within the PSB.

#### Issues and Challenges:

- The process for setting up a JV is likely to be as complicated as that for setting up a standalone new venture. Similar issues arise regarding matters such as staff involvement and conflicts of interest.
- There is no guarantee that a suitable JV partner will be found and having a likely candidate(s) is a prerequisite to significant JV development.
- There may be issues of perception the JV would give rise to some form of exclusive arrangement between the two parties, or wider reputational risks posed by the activity of the new entity.

- Depending on the function of the PSB, conflicts of interest could arise through the creation of a JV with the 3<sup>rd</sup> party, especially if the PSB has a regulatory function or if the JV partner has an existing interaction with the PSB, including through service contracts.
- The JV model is likely to be more attractive where commercial activity has already demonstrated traction in a market. The associated KAs are likely to be more developed and therefore more commercially valuable.

#### Resources to Consider:

- Similar resources to those needed to form a standalone spinout venture would be required. This includes licence agreement, shareholding agreement and company documents for the new JV company and its relationship and interactions with the PSB, as well as the shareholding and governance arrangements with respect to the commercial partner.
- Some of the activity developing the underlying business model for the JV and getting in place the necessary funding may be shared between the JV partners. A JV partner may invest capital, management resources, or both to help establish the new company.

For further information on methods of commercialisation in addition to guidance here, visit Annex C of the **Rose Book**.





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# 5.

## Market Research

**Market research is an important early step to determine whether commercialisation is a feasible and viable option to derive benefit and impact from a KA.**

Market research is the process of gathering, analysing, and interpreting information about a market, its customers, existing suppliers and solutions, and industry trends to inform business decisions, identify opportunities, and understand consumer needs and behaviours.

Undertaking market research allows you to determine:

- Whether a KA fulfils an unmet need or does this more effectively than existing solutions, and is therefore valuable to someone
- Whether someone is willing to pay to access rights to the KA, or products or services derived from the application of the KA
- What development work will be needed to meet the expectations of potential users (including potential licensees and customers), and whether the potential return on investment will justify the cost to develop a KA to meet those expectations?

Market research is also needed to allow you to compare commercialisation options and identify the most suitable exploitation route.

For example, commercialising a KA through direct sales will require you to identify many prospective customers who will buy your product or service. Conversely, identifying a single licensee who has access to many customers and is willing to work with you may also provide a route to market for your KA. Alternatively, forming a spinout may provide the best route to market (visit the [Spinouts Guide](#)).

A value proposition helps structure evaluation of customer needs and how an offering can meet these. This can help guide your initial market research. There are many sources of templates and guidance available online for developing one.

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## 5.1 Questions to Test with Market Research

- User need: What unmet need does the KA fulfil, or fulfil more effectively?
- Proposition: What does the product or service need to offer to meet this?
- User profile: Who would want what you have developed?
- Pain points: Are the users' unmet need(s) (customer pain points) sufficient that they are willing to pay for what you are offering, including the cost of switching from existing solutions?
- Opportunity: Is the commercial opportunity and/or potential impact sufficient to warrant the time and effort required to reach the market?
- Channels: What is the optimal strategy for reaching customers?
- Existing suppliers and solutions: Who else is meeting or planning to meet these needs and how?

## 5.2 Understanding of the Market: Primary and Secondary Research

Secondary market research is ‘desk’ research and can be used to gain an initial understanding of the market.

Advantages	Challenges
Cost-effective	Potentially outdated or irrelevant data (better data may cost more)
Quick	Lack of control over data quality and reliability
Wide availability of sources	Limited applicability to specific research needs
Access to large datasets than PSBs will have capacity to develop through primary research	Difficulty in verifying the accuracy of data especially if aggregated
Can inform primary research	Risk of over saturation or reliance on common sources

Primary market research is research that requires engaging stakeholders (e.g. potential customers) through surveys, interviews, and observations. This may be done at a later stage e.g. once secondary research has informed whether it is worth the additional cost and effort to undertake.

Advantages	Challenges
Fresh and relevant data	Time-consuming and resource-intensive
Tailored to project needs	Costly, especially for large-scale studies which can limit sample size
Flexibility and adaptability	Limited ability to generalise findings to broader populations
Greater control	Challenges in participant recruitment and engagement
Opportunity for engagement and follow-up	Can be hard to access the right people

GOTT can provide support with both of these, including by helping to source and fund 3<sup>rd</sup> party expertise to undertake primary and secondary research.

## 5.3 Existing Suppliers and Solutions

Existing suppliers in a market indicate demand and validation for the product or service. Their presence shows that customers are willing to pay, reducing the risk of untested ideas and highlighting potential gaps or areas for differentiation to create a competitive advantage.

Existing suppliers and solutions in the market mean there is a burden of proof to assure potential users and partners that the KA meets a need more effectively. Existing suppliers may be potential licensees for KAs.





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Managing Intellectual Property

Effective identification, protection and management of Intellectual Property (IP) is essential for successful commercial exploitation of KAs. Note this section focuses on IP, but the principles can be applied to non-IP KAs such as reputation and data. A well-managed IP portfolio not only serves to protect innovations, but it reduces an organisation’s exposure to risk by having a clear view of IP legal status, freedom to operate, appropriate treatment in agreements, and potential for infringement and litigation.

GOTT has published guidance, developed with the IPO, on [management of IP and confidentiality for the public sector](#), which should be used in conjunction with this guidance to support good management of a variety of KAs.

The IPO’s [free online IP courses](#) include ‘IP for Government’, which provides government-specific content and ‘IP Equip’, four light touch modules covering the basics of copyright, designs, trademarks and patent.

The National Archives provides advice and [guidance on the management of Crown copyright and Crown database right](#).

It will be necessary to work with the PSB’s in-house IP team or an external Patent or Trademark Attorney to help protect certain registerable intellectual property. Getting the right protection in place will enhance the commercial value of the KAs, visit [IPO guidance](#).

Note, IP is territorial, has time dependencies and must be protected through a specific order of activities. There may also be further requirements depending on the nationality of the inventor and where or under what terms the IP was created. [IPO guidance on international protection](#) is available.

As part of good information and IP management, PSB staff should all be aware of the importance of good record keeping and not disclosing information that might be considered for protection through registered IP rights.

The risks to IP and operations from hostile actors, and the need to comply with relevant security regimes should be considered. Visit section [8.4. Security](#) for more information.



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## 6.1. IP Due Diligence Process

An IP due diligence process involves a comprehensive investigation and assessment of the ownership and rights associated with IP assets. Here, the primary purpose is to evaluate and verify the status of IP owned or created by the PSB ahead of commercialisation. The due diligence process is used to assess whether:

- The organisation owns the IP it intends to license
- The organisation has rights to transfer the IP
- There are any 3<sup>rd</sup> party rights, claims, or permissions associated with the IP that need to be accounted for, managed, or obtained

The overall goal of this process is to identify whether the PSB owns the IP rights to the assets it intends to commercialise, and that any entity taking a licence to the IP (the licensee) will have freedom to operate without infringing IP rights of 3<sup>rd</sup> parties.

The licensee may be an existing company (or companies) or a new spinout company.

In some cases, this due diligence process may involve evaluating the legal and ethical obligations the PSB has in place for managing and maintaining the information inherent in the KA before it can be commercialised directly, transferred or licensed to a 3<sup>rd</sup> party.

Where data KAs are involved, there may be additional or particularly important considerations such as UK General Data Protection Regulation (GDPR), public perception, **Re-use of Public Sector Information (RPSI) Regulations**, and the appropriate access model, which will inform the approach to commercialisation.

### Key steps in the due diligence process can include:

- Collate and review relevant documents related to the creation and development of IP, including invention disclosures, employment contracts, collaboration agreements, T&Cs of funding sources (e.g. grants), and procurement contracts
- Identify all individuals who contributed to the creation of the IP. Determine their roles, responsibilities, and the nature of their contribution through interviews with relevant individuals
- Review any relevant contractual, confidentiality, non-disclosure, collaboration, or material transfer agreements to assess the impact on IP ownership and exploitation rights
- Investigate any potential 3<sup>rd</sup> party claims to the IP which may present a barrier to commercialisation
- Determine whether any rights have been given to 3<sup>rd</sup> parties
- Establish a clear chain of title for the IP by tracing ownership from its creation to the present. Ensure that every transfer of ownership is documented and legally valid
- Check relevant filing information, such as patent registrations or trademark applications, to confirm the recorded ownership of the IP
- Refer to relevant internal policies and procedures related to IP creation and ownership to ensure consistency with PSB policies
- Due diligence can inform the licensing decision and conditions, particularly with regard to what warranties it is safe to offer, though it is usual for PSBs to offer no warranty as to the validity of any IP licensed, nor any indemnity covering infringement of 3<sup>rd</sup> party rights
- If the information held by the PSB is subject to the RPSI Regulations, then a clear understanding of the PSB's **public task** will be required

## 6.2. Employer Ownership of IP

Typically, if an employee generates IP within the normal course of their duties for their employer, the rights to that IP belong to the employer. This principle is grounded in the understanding that the employer has provided the resources, direction, and platform for the employee to produce such intellectual assets, as set out in the **Patents Act**.

Employment contracts commonly include clauses specifying the ownership of IP created during employment to avoid potential disputes, though they may not be enforceable if they contradict statutory provisions or are unfairly broad. This practice ensures that organisations can protect and leverage the IP developed by their employees in the pursuit of business objectives.

## 6.3. Crown Copyright

Crown copyright is defined under section 163 of the **Copyright, Designs and Patents Act** as works made by officers or servants of the Crown in the course of their duties. Crown copyright covers material created by civil servants, ministers and government departments and agencies (which have Crown status). It is licensed in line with the RPSI Regulations.

Crown copyright would not apply to works commissioned from non-Crown individuals and organisations. Copyright in Crown-commissioned works will become Crown owned if **assigned or transferred to the Crown**.





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**Crown Bodies** must seek advice and permission<sup>3</sup> from The National Archives if they wish to **assign copyright ownership from the Crown** to a 3<sup>rd</sup> party, including to an existing company or spinout, or to license on terms other than the Open Government Licence. The Keeper of Public Records’ approval to assign Crown copyright to another party is only granted in exceptional cases. Note, assignment is transfer of ownership, and not the same as licensing (visit **section 7.2**).

### 6.4. Confirmatory IP Assignment

A confirmatory IP assignment is a legal document through which an employee formally acknowledges and confirms the ownership of specific IP by their employer. This agreement typically occurs after the creation of those assets created during the course of their employment.

By signing the confirmatory assignment, the employee affirms that the PSB is the rightful owner of the designated IP, even if the employment contract already outlines these ownership rights.

Despite the assignment being ‘confirmatory’, this step provides an extra layer of clarity and assurance to both employer and employee, reducing the likelihood of future disputes over ownership. It is also easier to provide to 3<sup>rd</sup> parties, such as potential licensees and patent offices, as proof of title, rather than needing to share employment contracts.

The IP due diligence process, together with the confirmatory assignment, gives confidence that the licensee (or spinout) will have the ability to commercially exploit the licensed IP. These activities should be undertaken before seeking licensees and/or commencing the spinout process.

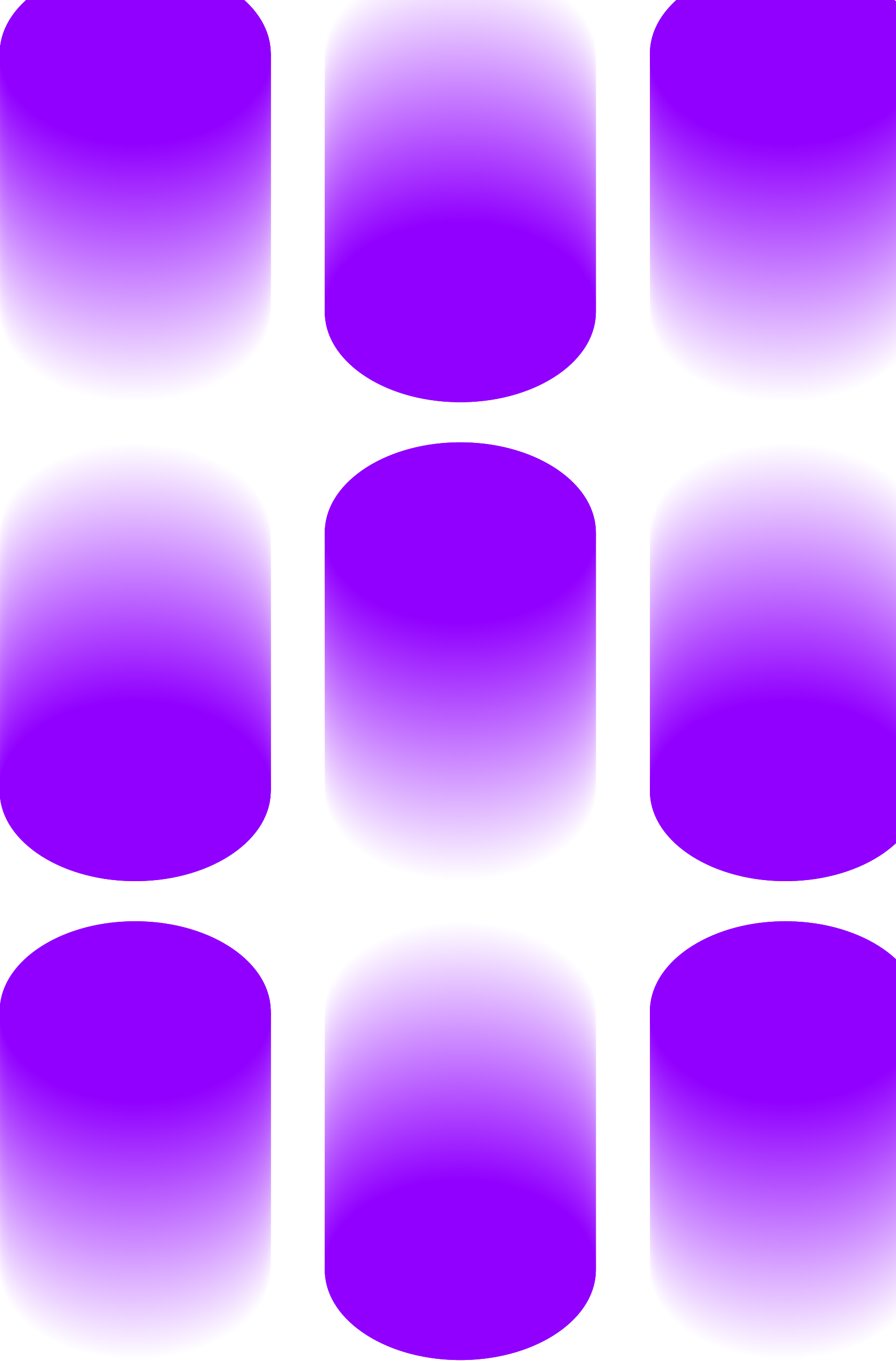
### 6.5. Rewards to Innovators

In the case of spinouts, PSBs should consider the approach to innovators who may receive equity and are also eligible for royalty shares via the PSB’s rewards to innovators (or similar) policy and document the approach, which may include a requirement to waive royalty shares if taking equity.

Incentivising effective creation and exploitation of KAs is in line with the Nolan Principles and there is no intrinsic incompatibility. GOTT plans to publish further guidance on rewards to innovators.

An innovator that leaves the employment of a PSB (or completes their period of study) will typically continue to be entitled to revenue share under a rewards to innovators policy.

In the case of deceased innovators, the estate of the innovator will typically be entitled to the innovator’s share.



3    Email the Copyright Team at [psi@nationalarchives.gov.uk](mailto:psi@nationalarchives.gov.uk)



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# 7.

## Licensing

**A licence agreement provides the licensee with rights to use the KA for specific purposes that will be detailed in the agreement, while allowing the PSB to maintain ownership of the IP.**

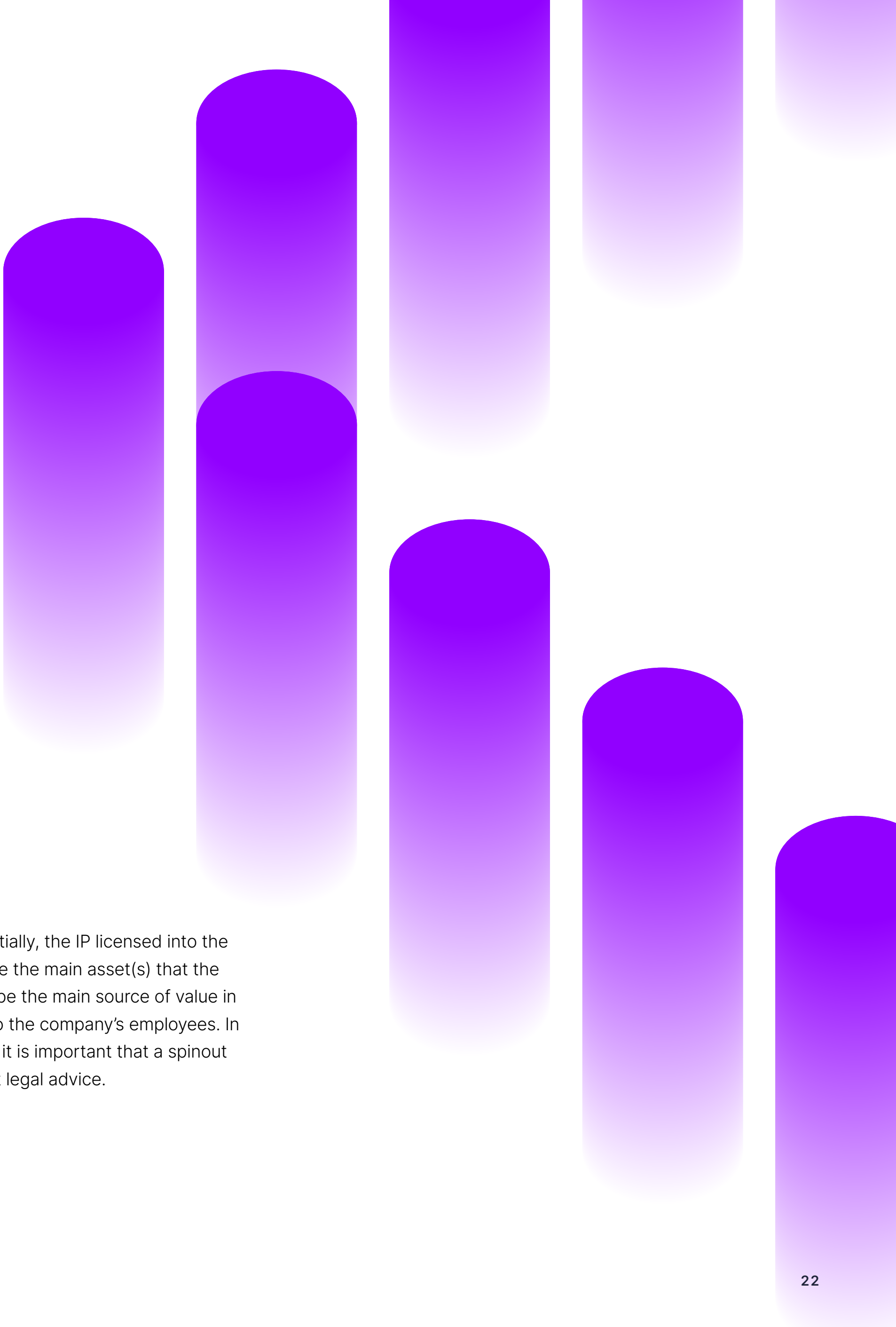
In certain cases, particularly where KAs could be applied in multiple sectors or territories, it may be possible for a PSB to issue a licence to a company to commercialise assets in specified sectors or territories, while licences are granted to users in other (different) sectors or territories.

This approach to licensing provides additional flexibility for the PSB to maximise value from the KAs it holds through different routes.

The licence agreement will be negotiated between the parties, though it is important to note that the RPSI Regulations encourage standard licences which do not discriminate between re-users, where applicable (visit below), and only permit exclusive licences in certain situations.

Licences may be direct to existing companies, to a joint venture, or a spinout.

In the case of spinouts, initially, the IP licensed into the company will most likely be the main asset(s) that the company holds and likely be the main source of value in the company in addition to the company's employees. In negotiating licence terms, it is important that a spinout takes its own independent legal advice.







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## 7.1. Exclusive vs Non-Exclusive Licence

An exclusive licence grants the licensee sole rights to use IP, precluding the licensor (the PSB) from granting similar rights to others (or using the IP itself). This provides the licensee a market advantage by removing competitors’ access and provides greater control over use of the licensed asset, whilst the licensor can often charge higher fees or royalties.

Note, a PSB may choose to grant a sole licence, which reserves the PSB’s right to use and exploit the KA as part of an otherwise exclusive licence.

Exclusive licences for re-use of information held as part of a PSB’s public task are prohibited by the RPSI Regulations, except for a very few exceptional situations<sup>4</sup>. In contrast, a non-exclusive licence permits the licensee to use the KA while allowing the licensor to grant rights to the KA to other parties. Such licences may involve lower fees.

Terms, including scope, permitted uses, duration, publication rights, and patent management and associated fees, are negotiated between the parties and specified in the agreement.

A licence to a spinout typically happens on a sole or exclusive basis, so care should be taken to ensure that

the proposal complies with the RPSI Regulations. It would be unusual for a PSB to issue a non-exclusive licence to a spinout company and an additional non-exclusive licence to another company working in the same field. This could lead to a situation in which an existing company could be in direct competition with the spinout, reduce market share that the spinout could attain and limit chances of the spinout raising investment, hiring staff, and succeeding.

The PSB’s own requirements for ongoing rights to usage and development of the KAs should inform the approach to licensing.

The advice of The National Archives should be sought in any situation where there may be a need to include Crown copyright information in an exclusive licence.

## 7.2. Licence vs Assignment

Unless the case to do so is assessed to be overwhelmingly in the public interest, a PSB should not assign or transfer ownership rights of KAs to another entity.

Crown copyright may not be assigned by a PSB. The authority to assign Crown copyright material rests with the Keeper of Public Records in The National Archives, who must be consulted at an early stage in any situation where it appears necessary to assign Crown copyright information.

In the case of transferring rights to a spinout company, or any other potential commercial partner, an exclusive licence is the preferred option for PSBs. Experienced investors generally consider that the licence to a spinout is sufficient for the spinout to operate and grow in value.

However, in some sectors even experienced investors may wish for KAs to be assigned at later stage investment rounds or sale of a spinout. By this stage, the spinout may likely have proved itself to be the most viable commercialisation route for the KA and assignment may be more acceptable. Note, it can be challenging to agree on the assignment price.

Once ownership rights have been assigned, any potential future value of the IP, including use in the delivery of public services, cannot be returned to the PSB, even in the case where the assigned organisation does not then seek to develop or commercialise the technology, or the entity ceases to operate (e.g. the spinout fails).

Licensing enables the PSB to retain certain rights, which may be useful in supporting the delivery of the PSB’s objectives or undertaking further research or development.

## 7.3. Brand

The KAs critical to the commercial opportunity are likely to be technical (e.g. patents or copyright) but other KAs (e.g. concerning brand, such as name and logo may also be of significant value. Licensing agreements must cover the approaches agreed for all relevant assets.

PSBs should carefully consider whether, and under what terms, a licensee is able to use the PSB’s branding assets. This should be discussed with the PSB’s parent organisation, or relevant senior official as appropriate, and the risks, including potential reputational damage, assessed and suitably mitigated.

For brands owned by the Crown, it should be noted that there will often be Crown copyright in the brand, so that any licence should deal with both the re-use of that copyright information and the rights to use the brand.

Where a PSB commissions the creation of a brand or logo for their own use or to subsequently license, they should ensure that the copyright is assigned to them under the contract.

4 Where necessary for the provision of a service in the public interest and when digitising cultural resources



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## 7.4. The Re-use of Public Sector Information Regulations

There are obligations, under the RPSI Regulations, placed on all PSBs UK-wide (not just Crown Bodies), to make much of the data and information that they collect available for wider re-use, under a perpetual royalty-free, worldwide licence.

The rationale is that by making the data available under open terms, the taxpayers’ investment in obtaining the data, can be maximised, by enabling economic and other beneficial activity.

The RPSI Regulations introduced the concept of the “**Public Task**” (that PSBs have a specific, defined purpose). Data and information held as part of a PSB’s Public Task, that is made accessible for re-use beyond that Task (in this case, commercialisation), should only be made available at marginal cost as default i.e. not at commercial, market rates. This applies to copyright KAs, not to others such as patents. Visit **guidance** from The National Archives.

Where this applies, PSBs should consider the implications on the feasibility of commercialisation. Contact GOTT if unsure of the commercialisation options and application of RPSI.

For data KAs, there may be additional or particularly important considerations in addition to RPSI, such as UK General Data Protection Regulation (GDPR), ethics, public perception, and the access model, which will inform the commercial approach.

## 7.5. Open Government Licence and Delegations

The **Open Government Licence** (OGL) is the default licence for Crown copyright material. Crown bodies require a **Delegation of Authority** from The National Archives to license Crown copyright on a non-OGL basis. The OGL is designed to be a simple, easily understandable set of permissive licensing terms.

The OGL offers a licence to the works which is:

- **Worldwide** – allowing the information to be used by anyone anywhere.
- **Royalty-free** – there is no charge for the data or information.
- **Perpetual** – not subject to an expiration date.
- **Non-exclusive** – licensable to many different people at once on the same terms, with no exclusivity conferred on any of them.

The following information should not be licensed under the OGL:

- Personal data in the information
- 3<sup>rd</sup> rights the Information Provider is not authorised to license
- Data that contains personal, secret or otherwise restricted information
- Data that is otherwise excluded (e.g. through legislation)

In contrast to civil servants, public servants, unless they work for a Crown body, will generally not generate Crown copyright material. It is possible for non-Crown bodies to hold Crown copyright information – for example, where a Crown function is privatised, or where a non-Crown museum or archive holds Crown copyright records as part of its collection.

For software particularly, developers may choose to use a different open-source licence if there are technical benefits of doing so which will result in efficiency of cost for the taxpayer. The National Archives provides more **information**.

GOTT plans to publish guidance on RPSI, Crown copyright and the OGL.

## 7.6. Common Licence Terms

Some key licensing terms are summarised below. Detailed guidance on licence terms for spinouts have been produced elsewhere (visit for example the **USIT Guidance**).

- **Field of Use:** Defines the specific applications, industries, or purposes for which the licensed rights can be utilised.
- **Term of Licence:** Duration or period for which the licensee is granted permission to use the licensed rights. Some licences, such as the OGL, are perpetual.
- **Diligence to Commercialise Clauses:** Imposes obligations on the licensee to actively pursue and bring the licensed assets to market within a specified timeframe.

- **Warranties and Indemnities:** It is usual for PSBs to offer no warranty as to the validity of any IP licensed, nor any indemnity covering infringement of 3<sup>rd</sup> party rights.
- **Ability to Sub-license:** Grants the licensee the right to further grant or transfer some or all of their licensed rights to a 3<sup>rd</sup> party.
- **Territory:** Defines the geographical region or area in which the licensee is authorised to exercise the granted rights, excluding other locations where the rights may not apply.
- **Licence Fees:** The financial payments that the licensee is obligated to pay for the granted rights, often outlining the amounts, schedule, and methods of payment. These could be periodic, royalty based or linked to milestones (visit next item).
- **Milestone Payments:** Payments that the licensee may be required to make upon achieving specific deliverables, such as successful development phases for a technology or reaching certain sales targets, as defined in the licence agreement.
- **Jurisdiction:** Specifies the legal territory or location where disputes related to the licence agreement will be resolved. For a spinouts from a UK government PSB (the audience of this guidance), this is likely to be England and Wales.





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### 7.7. Managing Licensed IP and Associated Fees

Depending on the type of licence, the licensee may be required to pay for the costs of ongoing IP protection.

Where IP is licensed non-exclusively, it is usual for the PSB to manage protection and associated costs.

Where the IP is exclusively licensed, it is usual for the licensee to reimburse the PSB for the ongoing costs of IP protection and maintenance. In some situations, the licensee may wish to manage and maintain the IP portfolio. The PSB will have oversight of the patent prosecution and will be involved in certain decision-making, for example decisions of whether to let protection lapse.

If the licence includes rights to certain registered IP such as patents and trademarks, it is essential that both the PSB and licensee are clear in the licence agreement about who is responsible for paying renewal fees and how decisions are made.

### 7.8. Licence to Pipeline or Improvements

A pipeline agreement is a contractual arrangement between two parties to facilitate further transfer of innovative technologies or IP from the licensor (the PSB) to the licensee, typically those closely linked to the original IP, but this can be difficult to define.

Pipeline agreements are problematic and should be avoided or narrowed where possible as they can limit the commercial and operational freedom of the PSB.

It may be appropriate in some circumstances for a licensee (particularly a spinout) to be granted rights to improvements to the KAs if well and narrowly defined, and directly related to the original licensed matter. This should be within a limited period e.g. one year from the effective date on the original licence agreement. Risks to the PSB's commercial position and security impacts should be considered.

PSBs may seek a licence from licensees to use the licensee's improvements to licensed KAs for the PSB's internal purposes.





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## Approval Process

### 8.1 Processes and Governance

A PSB intending to commercialise a KA must have suitable approval processes and procedures from the point of identification, throughout the commercialisation process. These should align with the governance structure and risk appetite of the PSB and may include approvals from a parent department and ministers, depending on the PSB's structure.

As part of an **Knowledge Asset Management Strategy** (KAMS), processes should also be written down and accessible to employees of the PSB to provide clarity about the PSB's approach to commercialisation. This will provide a fair, consistent, and transparent approach, which can help to align the relevant parties and prevent disputes arising.

The following general approach should inform engagement with governance structures:

- Involve innovators and relevant expert officials where available (e.g. technology transfer or commercialisation experts) in initial deliberations about the optimal exploitation route for potential commercial opportunities - contact GOTT for advice.
- Consider both the relevant internal and external stakeholders, particularly approvers including sponsor department where applicable (e.g. for spinouts).
- Explore spinout formation with relevant internal senior stakeholders at an early stage.
- Seek iterative input from internal and external stakeholders as the proposition is developed.

- Before seeking formal approval, it is important to ensure that the proposal has internal buy-in, and all the necessary due diligence has been completed.
- Ensure that any conflicts of interest are identified and that processes to manage conflicts of interest will be in place.

### 8.2 Documentation

Ensure governance processes are documented and communicated throughout the organisation.

The following documents may be expected to be developed and approved: a business case (length and detail will vary), heads of terms, and approach to managing any potential or perceived conflicts of interest.





1.	Introduction
2.	Why Commercialise Knowledge Assets?
3.	Quick Start Guide
4.	Commercialisation Options
5.	Market Research
6.	Managing Intellectual Property
7.	Licensing
8.	Approval Process

### 8.3 Receiving and Retaining Revenue: Limits and Flexibilities

#### Receiving Revenue - Ambit

If a PSB is listed in the **Main Estimates**, (typically a central government department), then to receive revenue from commercialisation of KAs including from licensing, dividends, equity investment etc., the activity will need to be included within the scope of the PSB’s ambit.

This can be found under the ‘Income arising from’ section of the relevant organisation (or parent department as applicable) Main Estimates. Wording is not typically standard, so finance teams and legal advisors will be best placed to advise if the scope is sufficient. If it is not, organisations can work with their HM Treasury spending teams to amend their ambit.

This can be done at Main or Supplementary estimates. Further information is available in the **Supply Estimates Guidance Manual**. It is advised to ensure this is in place when the commercialisation agreement (e.g. licence) is in place, or shortly after, to avoid it being forgotten or delayed.

#### Retaining Revenue

In order to retain revenue to reinvest in the development of the business function, for example, organisations will need to comply with the flexibilities in the ‘Retention rules’ section of HM Treasury’s Consolidated Budgeting Guidance (visit the **2024-2025 version**, but PSBs should check for the latest version).

Paragraphs 4.70 and 4.71 contain KA-specific flexibilities, either to spend in year, or, separately, to carry between financial years. If considering using these, please contact GOTT to support engagement with HM Treasury.

### 8.4. Security

PSBs must determine whether **export controls** and the **National Security and Investment Act 2021** are applicable to their commercialisation activities.

Visit the **Spinouts Guide** for more information on security matters specific to spinouts.

### 8.5 Conflicts of Interest

PSBs may face potential conflicts of interest (actual or perceived) in relation to KA commercialisation. Conflicts can arise in a range of situations, such as when allocating resources, granting access to funding or facilities, or licensing rights to IP.

Conflicts may arise for at the institutional level and for individuals. More detailed guidance on managing individuals’ conflicts is available in Annex E of the **Rose Book**.

PSBs should actively identify potential (actual or perceived) conflicts and determine the appropriate mitigations and management approach.

They should also establish appropriate governance, enforce transparent policies on IP and resource allocation, consider recusal in conflicted decisions, and conduct regular reviews of policies and licensed materials.



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