

EEF Phase 2 FAQs

How should we calculate our overhead rate?

DECC have not given a specific formula to follow to calculate overheads, but you could follow the methodology used by the Technology Strategy Board, which is reproduced below. Whichever approach you use, you should explain it and demonstrate the various cost elements included in the calculation in the space provided. N.B payment will be based on actual costs rather than estimated costs.

Overheads can be applied as a percentage to the direct labour costs calculated for the project. The overhead percentage is calculated by dividing the eligible business costs by the profits (plus any employee labour costs). The figures used should come from the previous year's profit and loss account. If you do not have previous year's figures, you should show how you have estimated the overhead rate that you have used for this project.

Our methodology for calculating overheads is too complex to present in the finance form provided by DECC. What should we do?

Assessors must be able to understand how overhead costs are calculated based on the information provided in the form. If the methodology is complex, please summarise your calculation in the space provided.

Is it possible to change the legal entity to a specific R & D company within the group of companies, rather than a trading division which the application was registered with?

This is possible. Please notify DECC at DECCEntrepreneurFund@berr.gsi.gov.uk

Does 'Energy efficiency and building technologies' include 'energy efficiency for non-building technologies' as well?

Yes. Please refer to pages 17-18 of the guidance notes, which state the eligible technology areas.

If we have received other grant funding (e.g. from Technology Strategy Board) can we also apply for EEF and if so, under which State Aid article?

If you have received other public funding, you can still apply for an EEF grant. The article under which you apply would depend on which Article the other aid was awarded under.

Article 35 can only be received once.

Article 31 can be received more than once.

So if the TSB grant is Article 31 you can either apply for EEF up to the £1m limit (subject to the maximum aid limits set in the regulation for Article 31, which are well in excess of the totals for these two grants, and the aid intensities as set out in the application Guidance Notes, pp.15-16) or, if you are eligible, up to €1m (£860k) through Article 35.

Alternatively, if the TSB grant is under Article 35, which we suspect it is not, you can apply for EEF up to the £1m limit (subject to the maximum aid limits set in the

regulation for Article 31, which are well in excess of the total DECC is willing to fund under this grant, and the aid intensities as set out in the application Guidance Notes, pp.15-16).

My company has secured DECC funding through the SBRI / Technology Strategy Board competition and I want to ensure there is no conflict before investing resources in an EEF bid.

Receipt of funding from other sources, even DECC money via SBRI / TSB, does not in and of itself prevent you from applying for a grant from the Energy Entrepreneurs Fund (EEF). It should not result in a more or less favourable assessment of your application, though you would have to demonstrate how the application was different and separate from the other grant funded activity.

However, there would be two important things to bear in mind:

- The match funding used to support your EEF application cannot be either the funding you note you have received nor can it be the same private money which you are using (if you are required to do so). This would be deemed double counting the match and would contravene State Aid rules.
- Also, there could be restrictions about which State Aid article you can apply under. This depends on the article under which the money you have received has been granted to you. If this grant was awarded under Article 35, then you can only apply for EEF under Article 31, with the specific restrictions on the proportion of grant funding DECC can provide to each project. The details on eligibility for these two articles are set out in the Guidance Notes.

Our project is “collaborative” (we have already completed the collaborative contract agreement with a project partner company). Does this company have to complete their own version of the EEF Finance form spreadsheet?

Where an application is a collaboration between two or more partners, each partner (irrespective of size or share of the project) should complete a Finance Form. However, where a project is being delivered by sub-contractors rather than with partners, a single form should be included with any sub-contractors appearing on the sub-contractor sheet within it.

Do we need to complete a collaboration agreement before we submit a collaborative application?

No, but you must upload a letter of support from each partner.

Most of the travel and subsistence costs will be incurred by a sub-contractor. Do we put this information into the “Travel and Subsistence” sheet or detail it in the “Sub-Contract” costs sheet?

These costs should be included within the sub-contract costs sheet of the spreadsheet as they will form an element of the sub-contracted costs. This should be explained in the description of work column.

Where can I submit hard copies of the application documents?

You may not submit hard copies, since all application documents must be submitted through Basecamp.

Is access to my Basecamp application folder restricted?

Access to your Basecamp folder is restricted to individuals involved in the management of the Energy Entrepreneurs Fund and yourself as applicant. No other applicants have access to your folder, and DECC will be managing access rights at different stages, so your application will only be viewed by DECC and those who are operating under an NDA signed with DECC as part of the assessment process.

In the finance form, how do we adjust the dates in the quarterly project breakdown tab?

To adjust the dates of the quarters, applicants should select the correct date from the drop down list in the “predicted month of start” box on the left hand side of the screen.

What is the maximum intensity of grant that DECC can award a UK university?

The fund is primarily directed at businesses, universities are not excluded from applying. However, a university can only be an Article 31 company and as it will almost certainly be classed as a large company they can, at most, receive 50% contribution for industrial research and 25% for experimental research activities, as set out in the Guidance Notes. These amounts can be increased by working in a collaborative proposal with a business, preferably an SME.

How do we confirm our status as a "young innovative enterprise"?

A young innovative enterprise must be:

A small enterprise as defined by the EU, in existence for less than 6yrs, with R&D expenses representing at least 15% of total operating expenses in at least one of the three years preceding the date of application or in the case of a start-up enterprise without any financial history, in the audit of its current fiscal period, as certified by an external auditor.

Can you tell me the timelines for selection and notification of successful applicants?

Please refer to the guidance notes, pages 9-12.