

Guidance for applicants

Anchoring low carbon technology in the UK –
Accelerating sustainable change

APC 7



Department for
Business, Energy
& Industrial Strategy

Innovate UK



ADVANCED
PROPULSION
CENTRE UK

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1 Introduction

The Advanced Propulsion Centre (APC) was formed in 2013 from a commitment between the government and automotive industry to position the UK as a global centre of excellence for low carbon vehicle development and production. It is a central pillar of the Industrial Strategy created by the Automotive Council, supporting acceleration of the development of low carbon advanced propulsion systems and vehicle weight reduction.

What is APC7?

APC7 is the seventh of a regular series of grant competitions opening at approximately six-monthly intervals throughout the year. Grant funded projects must develop technologies that:

1. Deliver significant reductions in vehicle CO₂ or other emissions compared to current best-in-class technologies.
2. Align with Automotive Council Technology Group Roadmaps.
3. Develop the UK's supply chain and capability in the field of low carbon vehicle propulsion or light weight systems technology.

APC7 is a single-stage competition that opens for applicants on **12th January 2017**. The deadline for registration to the competition is at noon on **29th March 2017** and the deadline for submission of full applications is at noon on **5th April 2017**. For a timeline of key activities see Section 3.

Who is involved?

APC Competitions are formally delivered in partnership between the APC, Innovate UK and the Department for Business, Energy and Industrial Strategy (BEIS).

The APC will:

1. Work with consortia to support bid development.
2. Support the competition process, hosting guidance events and interviews.
3. Act as advocates for consortia to improve future competitions.
4. Support project delivery once contracts are awarded.
5. Act as a source of guidance for consortia during the project start-up phase, and while projects are running.
6. Monitor the impact of the project portfolio.

Innovate UK will:

1. Deliver the competition process and technical assessment framework.
2. Support and manage applicant queries about the competition process.
3. Issue and manage grant contracts.
4. Provide formal assurance that projects are meeting their commitments once they are running (known as Project Monitoring).
5. Approve financial claims and issue funds.

BEIS will:

1. Assess the benefit that the proposed project will deliver to the UK economy. If that benefit meets an acceptable level and all other assessment criteria are met, BEIS will make a recommendation to Ministers to release funding.
2. Formally monitor delivery of economic outputs during and after delivery of the project.

How do I know if my project or consortia is suitable?

To help you understand whether your proposed project fits the objectives and scope for APC7, see section 2 of this document. This can be accessed via the APC website

www.apcuk.co.uk/competitions/apc7 or the competition page at <https://www.gov.uk/government/collections/innovation-grants-for-business-apply-for-funding#open-funding-competitions>

How much funding could the project receive?

We have provisionally allocated up to circa £35M to fund a limited number of collaborative R&D pre-production projects that address the technical challenges outlined in the scope.

Total eligible project costs are expected to be between £5M and £40M. Projects are expected to last between 18 and 42 months. Should your project fall outside any of these limits please contact the APC in advance of applying for an assessment of suitability.

APC funding is for:

1. Industrial Research (see glossary), in which a large business partner will generally attract up to 50% public funding for their total eligible project costs (60% for Medium and 70% for Small/Micro enterprises).
2. Experimental Development, with a business partner attracting 25% funding for their total eligible project costs (35% for a medium and 45% for a Small/Micro enterprise).

Overall, each project will attract no more than 50% public funding of the total eligible project costs. The consortia must decide how to balance funding such that the total grant request for the project does not exceed this.

Projects are assessed competitively in value for money terms. As such, it may not be in the consortia's best interest to request the maximum allowable grant under the rules of the competition. The grant requested should reflect the minimum amount of funding that is required to enable the project to proceed.

Overall, each project will attract no more than 50% public funding of the total eligible project costs

At least 70% of the total eligible project costs must be incurred by commercial organisations.

Detailed guidance providing reference information on the different categories of funding and the associated rules arising from the state aid framework employed in this programme is provided in [Appendix 1: Funding Rules](#).

How long will it take to apply?

Information is provided to help you understand the scale of the task in Section 5.1. You will need to decide whether your consortia is ready to submit an application for this competition, and whether your technology and/or project is at the correct maturity level to proceed or whether it would be more appropriate to wait for a future round.

What help and advice is available?

For questions relating to the competition process or support systems (including secure file transfer website), refer to Innovate UK.

Contact Innovate UK at support@innovate.gov.uk or call +44 (0)300 321 4357

APC is able to help by:

- Providing general guidance regarding interpretation of competition rules and guidelines on an informal basis.
- Helping your consortia to structure the bid development process.
- Explaining common pitfalls.
- Answering questions regarding whether or not your project is within scope.

Note that the APC role is to provide indicative guidance rather than formal advice.

Contact APC at info@apcuk.co.uk or call +44 (0)24 7652 8700.

Further sources of information are listed at the end of this document, in the FAQs.

What should I do next?

Key dates for the competition are shown in Section 3.

You must register for this competition. You can register for APC7 via the [Gov.UK website](http://www.gov.uk), from the 9th January 2017. Following registration you will receive (by email):

- A uniquely numbered application form. It is vital that the form submitted is the form sent to the Lead Applicant when he/she registers.
- Login details for the Innovate UK secure file transfer site. You must use this site to submit and receive all key documents during the application process.

While the application form may look similar to a form you have used for another competition, the information that you need to submit and the assessment process could be very different. Please read all the guidance.

It is vital that the Lead Applicant be available to receive essential communications during the competition process. The Lead Applicant is a key role in the process and should be the person most able to receive and respond to queries in a timely manner, rather than a figurehead.

Registration details will be passed to the APC team, who may contact you to discuss your application.

2 Scope & Eligibility

2.1 Scope

As the global automotive industry addresses the challenge of producing lower-carbon transportation and improving air quality, a supply chain has yet to develop for the next generation of light weight vehicles and propulsion systems, not just in the UK, but internationally.

APC7 is seeking proposals for collaborative research and development projects that demonstrate the development of technologies based around one or more of the following technology areas:

- Thermal Propulsion Systems
- Lightweight vehicle and powertrain structures
- Electric machines and power electronics
- Energy storage and energy management
- Alternative propulsion systems

Projects are expected to lead to significant reductions in vehicle CO₂ emissions and improvements in air quality under operational conditions. Both CO₂ and air quality improvements should be made with reference to comparable, best-in-class vehicles. Applicants must show how the project will strengthen UK capability and develop the UK's supply chain in the field of low carbon vehicles.

The competition's aim is to develop on-vehicle technologies – for either on-road or off-road vehicles. Technologies that primarily reside off the vehicle, such as charging infrastructure, are out of scope.

Consortia must have a clear, demonstrable route to production and line of sight to market, within a short timeframe of project end. They must include at least one vehicle manufacturer and/or a tier 1 supplier, and at least one SME partner.

Consortia should have a clear strategy to realise economic benefits, these could include employment (new and safe-guarded jobs), new business activity or expansion of products and services and value for money delivered to customers.

Consortia should show how they will develop and accelerate the progression of automotive technology and manufacturing readiness. We expect the majority of the technologies included to have been proven in a laboratory or vehicle environment prior to commencing the project.

Is my project in scope?

Projects must:

- Deliver significant reductions in vehicle CO₂ or other emissions impacting air quality compared to best-in-class technologies.
- Align with Automotive Council Technology Group roadmaps.
- Develop the UK's supply chain in the field of low carbon vehicle propulsion technology or lightweight vehicle structures.
- Be collaborative and business-led.
- Build and grow significant supply chain capability within the UK.
- Include a vehicle manufacturer or a tier 1 supplier and an SME partner.
- Achieve substantial advancement in technology and manufacturing maturity for technologies that have already been proven in a laboratory or vehicle environment.

- Show that the project delivers additional impact beyond what would be achieved through a ‘business as usual approach’.
- Handle and secure intellectual property for exploitation by, and to the overall benefit of, UK-based organisations
- Embed knowledge in people and grow expertise in the UK
- Consider the performance, durability, integrity and safety of any proposed technology, applying the appropriate standards.

Applications must show how a commercially viable path to production and volume manufacture will be achieved, with a clear strategy for commercialisation and market entry at a globally competitive piece price.

Applicants are strongly encouraged to demonstrate senior management commitment to the success of the project and consortium, in part by showing that the consortium’s collaboration agreement is well advanced at the point of submission.

Projects that will accelerate disruptive technologies towards market entry are particularly encouraged, as are projects that follow on from activities that have already received funding from Innovate UK.

2.2 Eligibility

Successful applicants can attract grant funding towards their eligible project costs. The percentage of costs we pay varies, depending on the type of research being carried out, the type of organisation involved, and the outcome of a value-for-money economic assessment carried out by BEIS. Detailed guidance providing reference information on the different categories of funding and the associated rules arising from the state aid framework employed in this programme is provided in [Appendix 1: Funding Rules](#)

Important notes:

- Recent changes to the State Aid rules include increases to the thresholds for grants that can be awarded to research and development projects under a General Block Exemption Scheme. For this competition, the thresholds for grants to individual businesses will be as follows:

Industrial research – maximum EUR 20M (previously EUR 10M)

Experimental development – maximum EUR 15M (previously EUR 7.5M)

The grant rates changed on 1st April 2015 and are shown in [Appendix 1: Funding Rules](#)

- In line with the guidance laid down by the UK Automotive Council in its Industrial Strategy, APC UK will be jointly funded by Government and Industry. The Department for Business, Innovation and Skills will provide funding to the APC, equivalent to 3.5% of total value of grants agreed by APC UK Ltd. In addition, APC UK will invoice all project partners for an equivalent level of funding.
- Under European Law, projects cannot be funded into the commercialisation phase. Definitions of allowable ‘experimental development’ and ‘industrial research’ can be found in the glossary at the end of this document.
- Non-UK based companies and research organisations are eligible to apply for funding provided that prior to the project starting they have set up a UK base from where the

funded work will be carried out, and there is evidence that they intend to expand their R&D activity in the UK beyond the life of the specific project. Non-UK based companies who wish to join consortia without requesting grant funding are welcome.

- We reserve the right to apply a portfolio approach to ensure the distribution of technology and funds across APC strategic priorities.

3 Competition Timeline

Deadlines are all at noon on the given date, and are absolute and final. In case of technical difficulty it will not be possible to grant an extension, so please allow sufficient time.

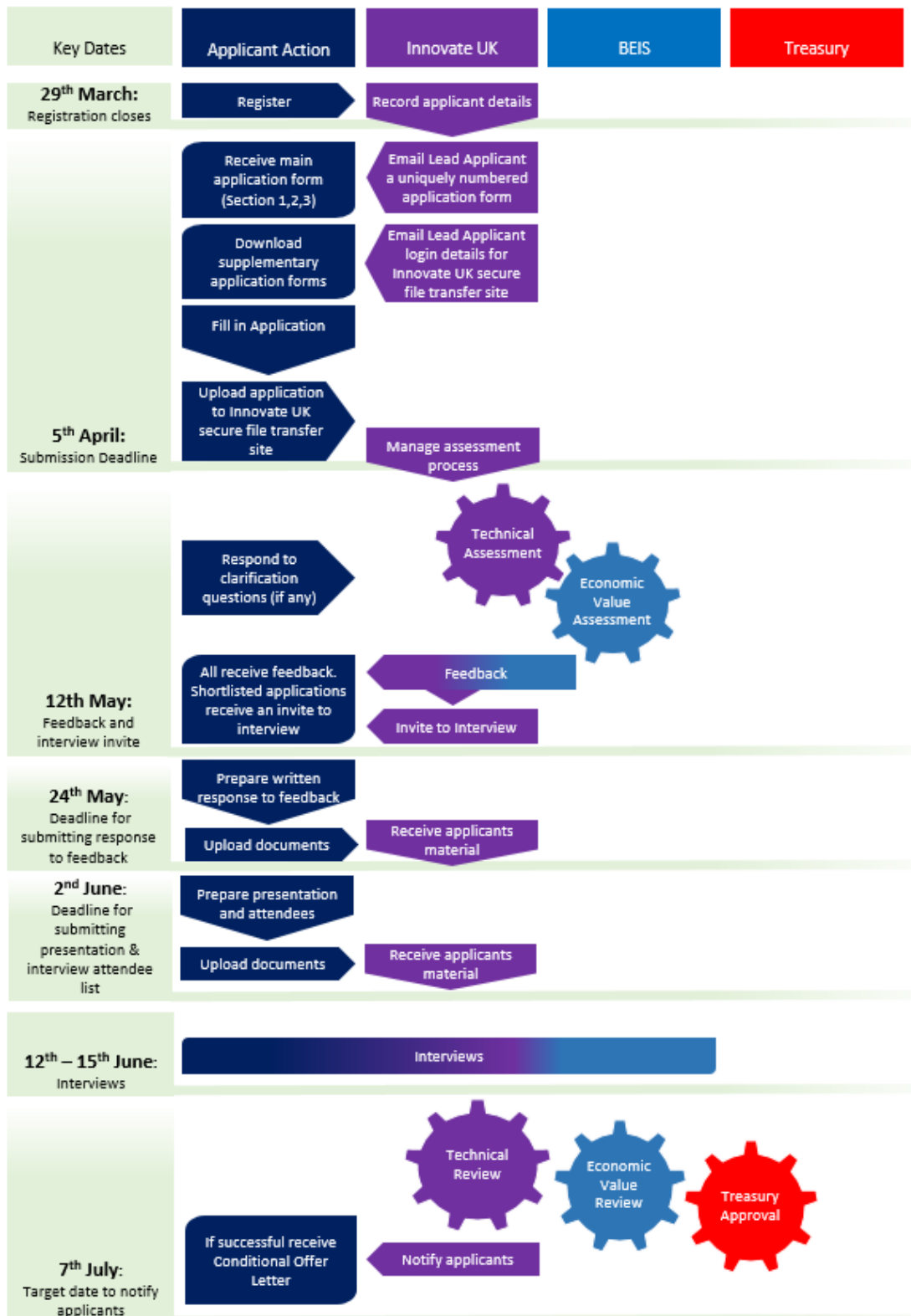


Figure 1: Competition Timeline

4 How Applications are assessed

Information requested to support a grant application enables both technical and economic assessment to be undertaken. Information provided must reflect all members of the consortium. Significant scrutiny and due-diligence will be undertaken to ensure appropriate use of public funding.

This is a competitive process. Assessors will score your application, and this will be used to rank the project against others. The guidance in Section 5.3 tells you about the information that the assessors need to assess and score the project, and it is essential that your application addresses the points raised to receive a good score.

Make sure that your application is clear, and statements are supported by evidence. The assessors can only score based on the information that you provide in the documents you submit. They cannot make assumptions and will not take into account any previous knowledge of company performance, other funded projects, experience, or expertise unless it is described in the application. If your track record is of benefit to the project, explain how and why in the application.

The application is assessed in two ways:

Technical Assessment

Innovate UK manage the technical assessment process including sourcing the Technical Assessors. Your application will be assessed by up to five assessors, who are subject matter experts drawn from industry and academia. They work under strict confidentiality agreements, and will be excluded from assessing any application where there could be a conflict of interest.

The Technical Assessors evaluate and score each application against the scope defined in the competition brief. The scores they award are collated and an average is used to rank all of the applications. Where appropriate, a moderation panel will be used to review any applications that fall just below the threshold for invitation to interview.

Top ranking applicants are then invited to interview. If selected for interview, you will receive your written feedback from assessors and have the opportunity to supply a written response containing supplementary information. This document must be submitted prior to interview.

The panel for the technical interview will consist of up to 5 independent assessors. The panel will have read your application, your response to feedback and will have seen your presentation slides in advance. Following your presentation and question and answer session each panel member will score your application against competition criteria and make a recommendation whether or not to fund. The majority of the assessor panel must recommend your project for funding for it to proceed.

Economic Value Assessment

The Economic Value assessment is conducted by professional economists employed by BEIS. They assess the predicted value for money of the project from the perspective of taxpayers and UK PLC. In order for the HM Treasury to release funds for grants, the value for money of each project must reach an acceptable threshold.

Value for money, or cost benefit ratio, in this case is defined as:

$$\text{Cost Benefit Ratio} = \frac{\text{Net Economic Benefit to the UK}}{\text{Cost to the exchequer}}$$

The Net Economic Benefit to the UK consists of:

Economic benefits

1. R&D and Innovation.
2. Employment:
 - a. Newly created jobs.
 - b. Safeguarded jobs.
 - c. Indirect supply chain jobs.
3. Upskilling.
4. Wider benefits:
 - a. CO₂ savings and other air quality improvements.
 - b. Benefits to those outside of the consortium, such increased fuel savings to UK consumers, increased UK supply chain content and sales.

Note that increased profits for consortium members are not included within the value for money assessment

Benefits will be discounted considering:

1. Additionality – to what extent would these benefits occur without government support? For example, would the project happen but over a slower timescale, would it take place abroad, or happen on a smaller scale?
2. Displacement – to what extent is a project displacing employment, investment and economic activity in other parts of the UK?
3. Risk – what is the risk of the project not achieving stated economic benefits? This depends on:
 - a. Project and consortium complexity
 - b. The investment required
 - c. Risk management strategy
 - d. The technology itself

The cost to the exchequer is the size of the grant requested in the application and any other public funding required to achieve the benefits you highlight in this application

The Economic Value assessment is conducted by a team of economists who assess the application and provide a view of their analysis to a review panel. This analysis is heavily quality assured by senior economists within BEIS to ensure the judgement is an accurate and independent reflection of the information that has been provided.

If you are invited to interview, BEIS economists may require further information beyond what has been presented in your application. Prior to interview applicants will receive their written feedback from BEIS economists (in tandem with feedback from technical assessors) and have the opportunity

to supply a written response containing supplementary information. This document must be submitted prior to interview.

A successful project application will:

- Clearly illustrate how the project addresses the core objectives of the competition, as defined in the Competition Scope and Eligibility.
- Provide sufficiently detailed technical description of the technology in the project to allow industry experts to make an assessment of suitability. We recommend providing architecture diagrams in an appendix, where appropriate.
- Provide sufficient detail to allow for a thorough value for money appraisal.
- Provide supporting evidence to validate the arguments that are made within the application. Examples of supporting evidence could include letters of support, copies of board meeting minutes, evidence of successfully delivered relevant projects, Internal Rate of Return analysis with and without APC funding.
- Utilise the available space to provide quality information.
- Provide a clear strategy to ensure the successful management and conclusion of the project on time and on budget.

We reserve the right to take a portfolio approach in final selection.

5 Your Written Application

5.1 Planning your Application

How long will it take to prepare my application?

Every project is different, and the time to develop a bid can vary greatly. Based on feedback from applicants to early APC competitions, our data indicates that consortia development, project definition and bid preparation can take in excess of 20 calendar weeks in total. As such, you may decide that you do not have the time to put together a credible bid for the next competition. If this is the case, APC will be happy to work with you now to support bid development for a future competition.

Consortia development, project definition and bid preparation can take in excess of 20 calendar weeks in total

The APC team will be pleased to explain a ‘typical’ bid development process in more detail, and can help you plan the key activities.

Bid development time will increase when:

- The consortium is large.
- The project involves consortium members who haven’t worked together before.
- Boundaries of responsibility are unclear or could overlap.

The application goes far beyond a technical justification and includes full financial data that supports the investment required. Considerable time is required for the bid leader to collate and harmonise all participant information.

APC are working to ensure that the competitions remain active far into the future. By getting in touch with APC to discuss your proposed project and timescale for application, you are helping APC illustrate to Government ongoing demand for the APC competitions.

When defining the start date of the project please be realistic. As an indicator, on average our projects start within 2 months after announcement of the application being successful.

5.2 Preparing your Application

The following illustration shows how the application forms and additional documents fit together to form the full application.

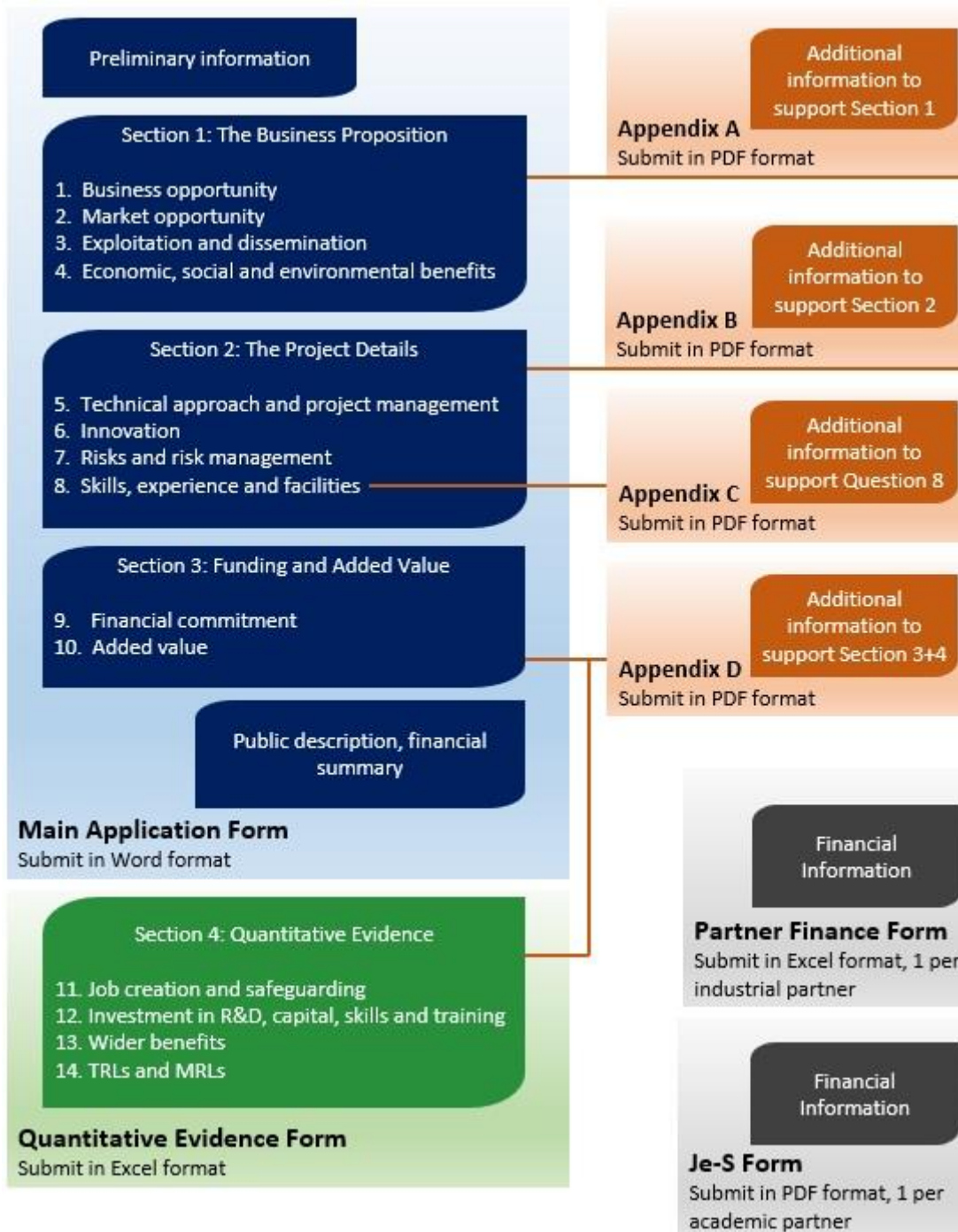


Figure 2: The Application

5.3 The Main Application Form in Detail

Important: Please note the following process requirements for the application form:

- You may only use the application form provided. It contains specific information including a unique reference number for your project.
- The application form contains specific fields and it is important that you complete each field and present a fully completed form. Incomplete forms will be rejected.
- The application form must not be altered, converted or saved as a different version of Microsoft Word.
- The space provided in each field of the form is fixed and you must restrict the content of your responses in each of the fields to the space provided. The typeface, font size and colour are predetermined and cannot be changed. Illustrations and graphics cannot be included in the application form. Please check your completed application form in PRINT VIEW: any text that can't be seen in this view or when the form is printed will not be assessed.
- The light grey shaded fields are completed automatically from other information entered on the form, e.g., the total columns of a table. These cannot be overwritten.

Application details	
Field	Guidance
Competition	This field will show the full name of the competition to which the form applies. You do not need to enter anything here
Project title	Enter the full title of the project.
Project timescales	Enter a realistic estimated start date and planned duration. These are indicative at this stage and are not guaranteed. It is acceptable to request a start date that allows a period of time after competition conclusion to establish the team.
(Lead) organisation name	Enter the full registered name of the (lead) organisation for the project and the company number (as provided by Companies House).
(Lead) organisation contact details	Enter the full name, postcode, e-mail address and telephone number. Please note that this will be the main point of contact for all competition communications, and must be someone who is available to respond to queries.
Document ID	This is completed automatically.
Applicant number	This is completed automatically and is the reference that you should use on all correspondence (this is the 5 or 6 digit number after the dash). This is sometimes referred to as the TP number.
Appendices	The specific requirements for Appendices are provided in Section 4 of this document.

Summary of proposed project (not scored)

Question	Guidance
<p>Please provide a short summary of the content and objectives of the project including what is innovative about it.</p>	<p>This is an opportunity to provide a short summary of the key objectives and focus areas of the project. It is important that this summary is presented in reference to the main outline of the project, with sufficient information to provide a clear understanding of the overall vision of the project and its innovative nature.</p> <p>This summary is not scored, but provides an introduction of your proposal for the benefit of the assessors.</p>

Gateway question: Scope (not scored, Yes/No answer)

Important note:

If the majority of assessors consider that the answer to the Scope Gateway question is 'No', then the application will not be approved for funding. Guidance on the 'Gateway Question: Scope' is therefore critically important and is provided below.

Question	Guidance
<p>Gateway question: Scope - How does this application align with the specific competition scope?</p>	<p>All applications must align with the specific competition scope criteria as described in the relevant Competition Brief.</p> <p>Note: To demonstrate alignment, you need to show that a clear majority of the project's objectives and activities are aligned with the specific competition. In forming their judgment on this, the assessors will also consider whether the application addresses the research objectives and topics it claims to. It is important, therefore, for you to fully understand the background, challenges and scope of the competition, as outlined in the Competition Brief.</p> <p>You can find the competition scope in section 2 of this document.</p>

Section 1 – 3 should be completed in the main application form and submitted in Word format.
Please number your responses within the form.

Section 1	The Business Proposition (10 points per question = 40 points in total)
Question	Guidance
1. What is the business opportunity that this project addresses?	<p>Outline the business opportunity and what the project team needs to do to successfully address it within the desired timeframe and cost.</p> <p>Describe the nature of the problems or issues facing you and/or your potential customers and how the intended outputs of the project will address these problems and issues.</p>
2. What is the size of the market opportunity that this project might open up?	<p><i>[Please identify PART A and PART B in your answers]</i></p> <p>PART A</p> <p>Describe the size of the market opportunities that this project might open up, including details of:</p> <ul style="list-style-type: none"> • The current nature of the specific market(s) at which the project is targeted (e.g. is it characterised by price competition amongst commoditised suppliers? Is it dominated by a single leading firm?). • The dynamics of the market including quantifying its current size, actual and predicted growth rates. • The projected market share for the project outcome, with justification in the light of any potential competitors. • The potential to create value-add for the UK and/or the European Economic Area (EEA). • Please justify the length of time of benefits with reference to the manufacturing life span of the technology or technologies. <p>Discuss the size of the market opportunity for the technologies developed in the consortium, giving projections and identifying key dependencies. If your technology is being purchased by an OEM or prime outside the consortium then give details on who the buyers will be and submit any evidence of future purchasing commitments e.g. letters of support.</p> <p>Describe and clearly quantify the return on investment that the project could achieve and provide relevant source data references.</p> <p>Where possible, provide evidence for your statements about the addressable market for project outcomes and outline your strategy for developing market share.</p> <p>For highly innovative projects (see question 6) where the market may be unexplored, explain:</p> <ul style="list-style-type: none"> • What the route to market could or might be.

	<ul style="list-style-type: none"> • What the barriers to entry might be. • What the market size might be, with calculations and assumptions underpinning this view made clear. • How the project will seek to explore the market potential. <p>PART B</p> <p>Please identify any competitors in the market you intend the technology to compete with and indicate those who are UK based.</p> <p>Discuss the likely impact on those competitors of the bid being successful: positive and negative. Where possible include changes in market share and the level of business you expect to win from these competitors as a result of receiving grant funding</p> <p>Discuss the geographical location of the markets you expect to sell in and estimate the proportion of the technology you expect to export. Make reference to vehicle class and price bracket</p> <p>Describe where you will be recruiting any new staff from (e.g. from the unemployed, universities, other businesses etc.), how highly skilled you expect the roles to be, and what level of demand you expect there to be in the market place for these staff</p> <p>Describe what area you will be locating in and your primary reason for locating there.</p>
<p>3. How will the results of the project be exploited and disseminated?</p>	<p>List or describe the potential exploitable outputs of the project such as:</p> <ol style="list-style-type: none"> 1. Products or services. 2. Processes. 3. Applications. <p>Describe how these outputs will be exploited by partner including, where applicable: the route to market; protection of intellectual property rights; supply chain benefits; reconfiguration of the value system; changes to business models and business processes and other methods of exploitation and protection.</p> <p>In answering this question, discuss the phasing of the project and your intentions for manufacturing locations of the technology or technologies developed as part of the project. For UK based manufacturing, please justify why this would occur in the UK and identify any risks to this occurring. Describe the follow on investment needed.</p> <p><i>[Note: Risks associated with accessing investment should be captured in the risk analysis (Question 7), and risk table in Appendix B. If you have any evidence of your intention for</i></p>

	<p><i>manufacturing in the UK, for example letters of intent, please include these in Appendix A.]</i></p> <p>Where helpful to the exchange of best practice, and not damaging to commercial interests, the results from this work should be made public on a voluntary basis and a strategy for dissemination of generic outputs from the funded project should be included.</p> <p>PLEASE NOTE: Where research organisations are involved in a project and funded for undertaking non-economic activity, we will expect you to include evidence of plans to disseminate their project outputs over a reasonable timescale. The requirement for dissemination of research results intends to secure wider benefit from the higher level of public support given to research organisations. For further information, please see Appendix 1: Funding Rules</p>
<p>4. What economic, social and environmental benefits is the project expected to deliver to those inside and outside of the consortium, and over what timescale?</p>	<p>Explicitly identify the benefits that will accrue inside and outside of the consortium as a result of the proposed project.</p> <p><i>[This question should be answered in conjunction with Section 4 of the application. Please use this question as an opportunity to explain or justify the assumptions used in preparing the quantitative data that you will include in Section 4: Quantitative Evidence, Questions 11, 12 and 13. Where possible reference relevant studies, reports, company data or previous projects where used as evidence that underpin your estimates. You can use the Notes column in Questions 11,12 and 13 to explain assumptions and/or reference this narrative]</i></p> <p>Benefits to partners inside and outside the consortium should be considered and you should make a clear distinction between the two where relevant.</p> <p>Job creation and safeguarding</p> <p>Explain the phasing and duration of the job figures quoted in Section 4: Question 11, making a distinction between newly created and safeguarded jobs. Make the link between the different phases of R&D, pilot and production clear. Justify why those jobs safeguarded, if there are any, would be lost in the absence of the project. Explain and quantify how likely this is to occur. Explain the likely timings of this risk, differentiating between the short-term (<2years) and longer term.</p> <p>Explain any upskilling that consortium members undertake and which is quantified in Question 12. Indicate how many jobs are expected to be supported in the supply chain as a result of the project, and show their value. Where possible, list specific companies or suppliers that are likely to gain indirect jobs or if a multiplier is used this should be justified with supporting evidence.</p>

Carbon Savings

Explain how CO₂ benefits will be delivered beyond those which are mandated by regulation, or achieved by current best in class vehicles. See guidance for Question 13 for more detail on requirements for measuring CO₂ savings.

Explain how the technologies employed will deliver the anticipated CO₂ savings. Where multiple technologies will be employed, explain and quantify how each will contribute to the CO₂ reduction.

Expected fuel savings for consumers.

Explain how fuel savings will arise for customers as a result of applicants going beyond existing regulations, or current best in class. See guidance for Section 4: Question 13 for more detail on requirements for measuring fuel savings.

Wider benefits

Highlight other wider economic, social or environmental benefits that occur outside of the project consortium. This could be include:

1. Benefits to the environment (other than carbon savings which are considered separately) such as air quality improvements.
2. Benefits to businesses or organisations within the UK, who are not part of the consortium but may be part of the supply chain. This may include increased sales to the supply chain from any future expected production, reduced consumption of materials or lower costs, increased skills etc.
3. Fuel savings to non-consortium members.
4. Health benefits to consumers.

Wider benefits quantified should not include:

5. Increased sales or profit for consortium members.
6. Carbon savings in traded sectors or where driven by regulation.
7. Efficiency savings for consortium members e.g. energy cost reductions.
8. Increased tax revenues for the exchequer.

Discuss any un-quantified benefits not included in the Section 4 spreadsheet. Include impacts on the competitiveness and capabilities of the UK supply chain, identifying how this will change as a result of the project. Also include potential CO₂ benefits that this project may bring but where it is not possible to quantify.

Section 2	The project details (10 points per question = 40 points in total)
Question	Guidance
<p>5. What technical approach will be adopted and how will the project be managed?</p>	<p>Provide an overview of the technical approach including the main objectives of the work. Describe the main areas of work together with their resource and management requirements.</p> <p>In evaluating this the assessors will consider these questions:</p> <ul style="list-style-type: none"> • Is the technical approach and methodology appropriate to the needs of the project and are the innovative steps achievable through the proposed approach? • Is the project plan sufficient in comparison to the complexity of the project? For example, is there sufficient detail to understand the tasks involved and the resources required? • Is the timing of key milestones realistic? • Is there demonstration of sufficient resource commitment and capability to undertake the project? • Are clear management reporting lines identified? • Does the project describe how it will enhance the manufacturing maturity of the technology? Are there appropriate tools and processes described and is there sufficient detail to demonstrate that the project can bring the technology to Manufacturing Readiness Level (MRL) 6? • Does the project clearly target commercialisation at project end? <p>Describe rival technologies and alternative R&D strategies and describe why your proposed approach will offer a better outcome.</p>
<p>6. What is innovative about this project?</p>	<p>Identify the extent to which the project is innovative both commercially and technically.</p> <p>In evaluating this section assessors will consider these questions:</p> <ol style="list-style-type: none"> 1. Does the project push boundaries over and beyond current leading-edge world science and technology? 2. Is the project looking to apply existing technologies in new areas? 3. Explain why and how you are confident that your IP is free from restriction and able to be readily exploited. <p>Highlight and explain the timeliness and novelty of the research aspects of the project in an industrial and/or academic context.</p> <p>Describe any evidence you have to substantiate your belief that the intended work is innovative. This could include the results of</p>

	<p>patent searches, competitor analyses, literature surveys etc. If applicable, you should also outline your own background intellectual property rights, as related to the project.</p> <p><i>[Note: You will be asked to describe the TRL and MRL at commencement and the end of the project, broken down in to key system and subsystems in the template provided in Q14 of Section 4 - Quantitative Evidence]</i></p>
<p>7. What are the risks (technical, commercial and environmental) to project success? What is the project’s risk management strategy?</p>	<p><i>[Note: You will be asked to provide a risk table in your chosen format as part of mandatory Appendix B, in support of narrative provided in response to this question]</i></p> <p>The assessors recognise that projects of this type inherently carry a degree of risk, but seek assurance that the projects funded have adequate arrangements for managing this risk. Focus, therefore, on the arrangements for managing and mitigating risk as follows:</p> <ol style="list-style-type: none"> 1. Identify the key risks and uncertainties of the project and provide a detailed risk analysis for the project content and approach, including the technical, commercial, managerial, economic and environmental risks as well as other uncertainties (e.g. ethical issues, risks to job creation or safeguarding jobs) associated with the project. The main risks should then be rated as High/Medium/Low (H/M/L). 2. State how the project would mitigate these key risks. Evidence should be presented on how the risks have been mitigated. The response should distinguish between the probability of contingencies not occurring and the impact this would have on the realisation of future sales/production. 3. Identify key project management tools and mechanisms that will be implemented to provide confidence that sufficient control will be in place to minimise operational risk therefore promoting successful project delivery. This should include the arrangements for managing the project team and its partners. <p>Risks can include but are not limited to: funding gaps, investment needed for production facility, future sales risks, CO₂ savings, supply chain capacity and OEM/prime purchasing. For UK based manufacturing, please justify why this would occur in the UK and identify any risks to this occurring. Describe the follow on investments needed and risks associated with achieving those investments.</p>
<p>8. Does the project team have the right skills and experience and access to</p>	<p>In order to show your capability to develop and exploit the technology, describe the track record of the project team</p>

<p>facilities to deliver the identified benefits?</p>	<p>members in undertaking and exploiting the results of research and development projects.</p> <p>In evaluating this, the assessors will consider whether:</p> <ol style="list-style-type: none"> 1. The project team has the right available mix of skills and experience to deliver the project successfully. 2. The project team’s formation objectives are clear and if it would have been formed without APC investment. 3. There is additional benefit demonstrated from the collaboration, for example, increased knowledge transfer. 4. The consortium is greater than the sum of its parts – how the organisations working together will achieve more than if they were working individually. <p>If significant funding of sub-contractors is proposed, justify why this is required and why it cannot be supported by the project consortia directly.</p>
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Section 3	Funding and added value (10 points per question = 20 points in total)
Question	Guidance
<p>9. What is the financial commitment required for the project?</p>	<p><i>[Please identify PART A and PART B in your answers]</i></p> <p>PART A</p> <p>Indicate the anticipated project cost making clear the level of contribution from any project participants and the level of grant funding required. This information should be provided in the financial summary table in the application form.</p> <p>Supporting information and explanation for project costs should be provided in this section of the form. It must be consistent with the category of research & development being undertaken within each work package.</p> <p>Important: If the project spans more than one type of funding (e.g., because significant work packages are in both fundamental and industrial research), you must describe and justify the breakdown of costs between them within the answer to this question.</p> <p>In evaluating this the assessors will consider the following questions:</p> <ol style="list-style-type: none"> 1. Is the budget realistic for the scale and complexity of the project? 2. Does the financial support required from APC fit within the limits set by the specific competition?

	<p>3. Is a financial commitment from other sources demonstrated for the balance of the project costs?</p> <p>4. Has a realistic budget breakdown been provided?</p> <p>5. Have any work package breakdowns been described and justified adequately?</p> <p>PART B</p> <p><i>[Note: This question is supported by quantitative information provided in Section 4: Quantitative Evidence, Question 12]</i></p> <p>What is the proposed total investment to bring the technology to production (in answering, distinguish between the APC funded project and the overall investment)? What is the proposed investment in R&D, skills, capital and training?</p> <p>List and assign a proportion for the source of private sector investment by: retained earnings, external debt, equity investment or other source. Where the source is retained earnings, describe the decision making process in allocating this R&D spending. You should make reference to whether the R&D spending is internationally competitive and/or found from UK company budgets.</p> <p>List any other public funds, including any tax relief, that the consortium has applied for, or received, that relate to this project or application. Indicate the size of the funding, the relevant body and details on the type of funding and conditions.</p>
<p>10. How does financial support from APC and its funding collaborators add value?</p>	<p><i>[Note: Supporting evidence can be submitted in Appendix D if required.]</i></p> <p>Specify whether there will be subsequent R&D investment/spend as a result of this initial investment. Show how successful delivery of your project will increase the total amount of money the project team spends on R&D in the UK.</p> <p>Demonstrate the collaboration benefits of the project. For example, highlight whether members of the consortium are based in close geographic proximity to one another, or other automotive firms and or their supply chain; whether they operate in multiple sectors; and if they intend to work closely with universities, research councils or catapult centres on this project. Show why APC funding is either required for the project to be able to proceed, or how APC funding would allow you to undertake the project differently (sooner, more quickly, on a larger scale etc.). Explain why this would be beneficial to the UK.</p> <p>Describe what will occur if the application for funding is not successful. Estimate to what degree the project investment, and therefore benefits, would be scaled back without funding.</p>

(Answer this question with reference to benefits quantified in question 13.)

If you are making the argument that without APC funding, the project would be undertaken in a non-UK location, it would be helpful to consider the following questions: Why have you considered these alternative locations? This could include information on the current type and size of operations in these locations; the expected size and growth of the local/regional market; expected cost structure (wages, building, transport, energy); and any existing infrastructure or financial support available. Please also provide information on the quality and availability of equivalent workforce and science and research base in these alternative locations.

Explain what other sources of funding have been considered, including private investment. For example:

- list and assign a proportion for the source of private sector/own expected fund by (retained earnings, external debt, equity investment or other source). Where the source could be retained earnings, describe the decision making process in allocating a proportion of revenues or profits for funding this project;
- any funds raised internally through shareholders;
- list any other public funds, including any tax relief, that the consortium has applied for, or received, that relate to this project or application. Indicate the size of the funding, the relevant body and details on the type of funding and conditions; and
list other funding sources which were considered providing supporting evidence of the outcome of these e.g. proof of declined credit.

Show why this specific level of funding is required. Supporting evidence could include business cases, Internal Rate of Return analysis or other financial comparisons of the with APC funding and without APC funding scenario. As an example, if a project would go ahead in a non-UK location without this funding, the application could provide a clear analysis that sets out the cost gap between the non-UK location and the UK, and show that the cost gap would be filled by the requested grant amount.

Applicants may be asked for additional financial information relating to their bid or organisation, which could be specific to both the project and consortium members. The requirement for additional financial information will vary across applications. It will be dependent upon the nature of the application, and the specific argument for support around which the applicant has structured the application. The decision to seek additional financial

	information will be taken by BEIS and communicated to applicants accordingly.
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Public description of the project (not scored)

Question	Guidance
If your application is successful, Innovate UK will publish the following brief description of your proposal. Provision of this description is mandatory but will not be assessed.	<p>Please provide a short description of your proposal in a way that will be comprehensible to the general public. Do not include any commercially confidential information, for example intellectual property or patent details, in this summary.</p> <p><u>This statement will be published</u> by Innovate UK, to meet their obligations for openness and transparency of public-funded activities. It will also be used to provide a summary of the project on the APC website and other promotional material. As such, please take time to ensure that the statement reads well and captures the key objectives of the project.</p> <p>Whilst this section is not assessed, provision of this public description is mandatory. Funding will not be provided to successful projects without this.</p>

Finance summary table

Column 1 Organisation name	Please provide the full names of the (lead) organisation and any participants in the project consortium (organisation names as noted in Companies House).																
Column 2 Organisation Registration Number	Companies should provide the Company Registration Number (as noted in Companies House). Universities/HEIs should enter their RC number/Charitable status/legal entity registration number etc.																
Column 3 Enterprise Category	<p>Please select your Enterprise Category. (SME definition is based on the EU definition) For other definitions, please see Appendix 1: Funding Rules</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Enterprise category</th> <th>Headcount</th> <th>Turnover</th> <th>Balance sheet total</th> </tr> </thead> <tbody> <tr> <td>Medium sized</td> <td><250</td> <td><= €50 million</td> <td><= €43 million</td> </tr> <tr> <td>Small</td> <td><50</td> <td><= €10 million</td> <td><= 10 million</td> </tr> <tr> <td>Micro</td> <td><10</td> <td><= €2 million</td> <td><= 2 million</td> </tr> </tbody> </table>	Enterprise category	Headcount	Turnover	Balance sheet total	Medium sized	<250	<= €50 million	<= €43 million	Small	<50	<= €10 million	<= 10 million	Micro	<10	<= €2 million	<= 2 million
Enterprise category	Headcount	Turnover	Balance sheet total														
Medium sized	<250	<= €50 million	<= €43 million														
Small	<50	<= €10 million	<= 10 million														
Micro	<10	<= €2 million	<= 2 million														
Column 4 Postcode	Please provide the postcode of each organisation participating in the project.																
Column 5 Contribution to the project by each organisation (£)	Please list the total contribution to be made to the project by each organisation.																
Column 6 Funding sought from APC	Please enter the funding sought from APC for each participant organisation for this competition.																

Column 7 Other funding from public sector bodies	Please include any funding for the project from any other public sector bodies which has been applied for separately, and not as part of this competition. Funding from other public sector bodies might include other applications to research councils, other government departments, devolved administrations, other public sector organisations and some charities. The purpose of this column is to provide Innovate UK with information on the total public funding for the project.
Column 8 Total (£)	The total cost of the project – this is the sum of columns 5, 6 and 7 and will be entered automatically.
Bottom Row Total (£)	The total of each column will be entered automatically.

5.4 The Quantitative Evidence Form in Detail

Section 4 should be completed and submitted in Excel format. Download the blank form from the Innovate UK secure file transfer site.

Section 4	Quantitative Evidence (Used to support valuation of economic benefits from the project. Benefits:grant ratio must exceed a hurdle rate for the project to be considered for funding)
Question	Guidance
11. How will the project lead to job creation and safeguarding?	<p>This section records the change to employment due to the project. Project leads are asked to distinguish between: the R&D phase, pilot production phase and full-scale manufacturing. Within these phases, we ask the applicant to divide jobs between their function for the project: administration, production, design & engineering and research & technology.</p> <p>Applications must explain how the job numbers have been derived, including calculations and assumptions underpinning estimates. To achieve this, the Notes column can be used to reference narrative provided in Question 4.</p> <p><i>Job creation and safeguarding</i></p> <p>A job created is a new job that will be attributed to this project and will endure for a minimum of 12 months. Safeguarded jobs are those which already exist in the consortium prior to beginning the project, and would be lost without the funding. The funding must allow a safeguarded job to be retained for a minimum of 12 months for the job to be listed under safeguarded jobs.</p> <p>Numbers quoted should only include jobs created or safeguarded in the UK. Only include jobs from within the consortium that can be directly attributed to this project.</p>

	<p>The jobs figures should be split by the stage of production and function.</p> <p>The job figures should be given in units of Full Time Equivalent (FTE) posts. Treat part-time workers as a proportion of FTE. Each job attributed to the project should include the duration, the NVQ level, salary and geographic location through a postcode. For agency workers or temporary staff, please include the posts by converting to the number of FTE posts this would represent.</p> <p>Direct jobs are the UK jobs that will occur <u>within</u> the consortium companies. The job figures are recorded <u>cumulatively</u>; with a value showing in each column for the whole period over which the job will exist, not just in the year in which the job commences.</p> <p>The duration used should be the full life the post is expected to be needed as a result of the project. For example, if a production line producing the technology developed within the project is expected to last 8 years, include the jobs for 8 years from the point at which they arise. If the jobs will last beyond 2022/23, add extra columns up to the end of the anticipated economic life of the project. Appraisers will consider the risk of non-delivery where applications include substantial jobs, or other benefits, outside the contractual period. Depending on the supporting evidence and narrative provided in Question 4, this may lead to economic benefit valuations being revised down.</p>
<p>12. What is the proposed investment in the project on R&D, capital and skills and training?</p>	<p>This section provides information to enable assessors to quantify the economic value of research and development, capital investment and any increase in the skills level of the automotive supply chain. The Notes column can be used to reference narrative provided as justification for the quoted numbers in Question 9, Part B.</p> <p>Investment captured here should be investment that occurs in the UK only.</p> <p>Enter expenditure split by R&D, skills and capital for 3 different subsets:</p> <ol style="list-style-type: none"> 1. Total project expenditure: An aggregation of the data provided in partner finance forms. It provides an annual view of total expenditure directly related to this APC project, split by R&D, Skills and Capital investment. 2. Government funding: An aggregation of the data provided in partner finance forms and will provide an annual view of how much <u>public funding</u> is expected to be used for R&D, Skills and Capital Investment. 3. Total Investment as a result of this project: This will include follow-on investment as a result of the project, split by

	<p>R&D, Skills or Capital investment. For example, subsequent R&D or capital investment for a production facility if the project is successful.</p> <p>Under the heading “Total Project Expenditure on Research and Development by Type”, total R&D expenditure should be split between Industrial Research and Experimental Development. Definitions of Industrial Research and Experimental Development can be found in the glossary at the end of this document.</p> <p>R&D expenditure includes all R&D spending that will occur if the applicant is awarded grant funding. Expenditure not relating to the project should be excluded from this forecast. The R&D expenditure should be divided into Industrial research and Experimental development. See the definitions in the glossary at the end of this document. Include any expenditure on capital equipment within the project.</p> <p>Up-skilling should be entered <u>non-cumulatively</u>; showing only in the year in which the up-skilling transition will occur.</p> <p>Include only those existing employees who will receive training that is transferable and not company specific. The training included here will improve a worker’s existing capability following the NVQ definitions (see R&D and NVQ Definitions tab). It would be expected that workers would capture the increase in skills through increased wages. The increase in skills should not include new employees hired as a result of the project (as captured in the ‘Q11 Job creation & safeguarding’ tab), unless new employees are hired at a lower skill level and wage then subsequently benefit from skills and training activities. The number of employees whose skill level is increased is captured under each financial year.</p>
<p>13. What other wider economic, social and environmental benefits are the project expected to deliver to those inside and outside of the supply chain and over what timescale?</p>	<p>Use this section to record (and quantify as far as possible) the wider economic benefits that you have listed in Question 4. Use the Notes column to explain assumptions and calculations, or to reference narrative provided in your response to Question 4 or elsewhere within the application.</p> <p>Carbon Savings</p> <p>Only tailpipe CO₂ savings that are not part of an EU emissions trading scheme should be included.</p> <p>Assessors need to understand the CO₂ benefits that will be delivered beyond those which are mandated by regulation, or achieved by current best in class vehicles. As such, include a comparator vehicle to represent best in-class. The comparator vehicle emissions will be expected to have an improved CO₂ performance over time, in-line with future emissions performance expectations. Use the Notes column to explain or reference</p>

assumptions made in defining the comparator vehicle CO₂ performance, including reference to changing legislation.

The form requires you to distinguish UK and non-UK emissions. It is essential that this is completed.

In order to calculate that CO₂ benefit that is specifically associated with the technologies developed in the project, estimate the percentage of vehicle CO₂ reduction that is achieved specifically by delivering the project technologies to the vehicle platform in the row titled 'Estimated % of fuel savings attributable to the project'. For example, if the new vehicles will have multiple technologies applied, all of which will contribute to a CO₂ reduction, but only 30% of the CO₂ reduction is a result of the technologies that are developed within the project, state '30%'.

To convert from fuel savings use standard DECC indicators, available at: <https://www.gov.uk/government/publications/2012-greenhouse-gas-conversion-factors-for-company-reporting>

Vehicle Lifetime

Provide a vehicle lifetime in years. This, in conjunction with annual sales figures (non-cumulative) will be used to calculate the overall CO₂ saving as a result of technology deployment.

Expected fuel savings for consumers.

Any fuel savings to consumers that arise as a result of applicants going beyond existing regulations should also be recorded. As with recording carbon savings, this should include a comparator vehicle/propulsion system which is expected to have an improved fuel economy performance over time, in-line with future performance expectations.

The application should also make clear what proportion of vehicles containing the new technology will be exported. As with carbon savings, applicants should identify the percentage that is directly attributable to the APC project rather than total carbon savings of a new vehicle that includes technologies not developed through the APC.

Fuel savings to consumers should only be included if the additional savings will not be captured in the price of the vehicle.

Wider benefits

The final table in Question 13 of Section 4 is a free form with an annual profile. Include the data and assumptions that were used in your calculations in this box and not just the end result. Use the

	<p>Notes column to provide explanation of assumptions or to refer to narrative elsewhere in the application.</p> <p>Wider benefits could include:</p> <ol style="list-style-type: none"> 1. Benefits to the environment such as air quality improvements. 2. Benefits to other businesses or organisations <u>within the UK</u>, who are not part of the consortium but may be part of the supply chain, and who may benefit from increased sales, reduced consumption of materials or lower costs. 3. Fuel savings to non-consortium members. 4. Health benefits to consumers. <p>Wider benefits should not include:</p> <ol style="list-style-type: none"> 1. Increased sales or profit for consortium members. 2. Carbon savings in traded sectors or where driven by regulation. 3. Efficiency savings for consortium members e.g. energy cost reductions. 4. Increased tax revenues for the exchequer. <p>Sales to the UK supply chain from any expected future production, as a result of the APC project, should be included. The percentage of supply chain sales from the UK as a total of supply chain purchases (bills of materials) should be made clear.</p> <p>Air quality improvements should show similar workings to the carbon savings box with a distinction between UK and rest of the world emissions. Efficiency savings and life time fuel savings to non-consortium members should detail all assumptions made in the calculations. Any other quantifiable economic benefits to the UK should be included here with full workings. For further details on how this is measured and the principles followed by assessors please see the HM Treasury Green Book.¹</p>
<p>14. How will your TRL and MRL progress through your Project?</p>	<p>The form is split into two sections. The red section covers the current status of the technology to be developed in the project and the blue section covers the end state of the technology, after the proposed project has been completed.</p> <p>In the red section identify the systems, sub-systems and/or elements that will be progressed with the project and categorise the TRL & MRL levels that they will have achieved prior to commencing the project. Quantify the level using the Automotive</p>

¹ The Green Book sets out the general principles for appraisal. Overtime this has been added to include specific guidance for emissions savings and other benefits: <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

	<p>Technology and Manufacturing Readiness Levels guide, which can be found on the APC website (www.apcuk.co.uk) .</p> <p>In the blue section identify the end state of each technology.</p> <p>In both cases, the TRL and MRL levels assigned should be supported up by specific justifications in line with the examples given in the guide.</p>
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5.5 Appendices

All appendices are submitted with the application form. Note that these are intended to contain supporting information and not substantive elements of answers to the application form questions. Do not use the appendices as an overflow to the application form.

In order that assessors can open and read the appendices, each appendix must:

- Conform to the maximum length specifications listed below.
- Be submitted in Portable Document Format (.pdf).
- Be legible at 100% zoom/magnification.
- Display prominently the ‘Project title’ as entered on page 1 of the application form.
- be named as per the specifications given in [Appendix 2: Submitting your Application](#)

If you submit appendices longer than specified below, they will be truncated and the excess discarded.

Appendices may be reproduced in black and white, so colour should not be used as the sole method of conveying important information.

Appendix	Guidance
Appendix A Up to 5 sides of A4	Use Appendix A to provide additional information to support Section 1 of the application form: The Business Proposition. You may wish to include graphics describing the nature of the problem, market dynamics and/or exploitation plans.
Appendix B Up to 5 sides of A4 (7 sides of A4 for academic and business applications)	Use Appendix B to provide further information to support Section 2 of the application form: The Project Details. You may include, for example, a Gantt chart, project management structure and/or details of evidence for innovation. A risk table is mandatory, with risks categorised and a description of each category provided. Academic and business applications may submit an additional 2 A4 sides for additional assessment information such as the Pathways to Impact. Please refer to separate guidance in Appendix 3: Your Project Costs
Appendix C Up to ½ side of A4 for each partner and subcontractor	Use Appendix C to provide details of the specific expertise and track record of each project partner and each subcontractor to address Question 8 of the application form. Academic collaborators may wish to refer to their research standing.

Appendix D Up to 10 sides of A4	Use Appendix D to provide supporting evidence for Section 3 and 4 of the application form. Evidence could include business case extracts / Internal Rate of Return analysis / other financial comparisons of the with APC funding and without APC funding scenario.
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5.6 Finance Forms

For information on eligible project costs and how to complete the finance forms see [Appendix 3: Your Project Costs](#)

Industrial Consortia Members

Every industry based consortia member (including the Lead Partner) must complete an Industry Partner Finance Form. These forms provides more detailed information on the total costs listed in your finance summary table.

Academic Consortia Members

Academic partners must each submit a Je-S form, with a 'With Council' status (see <https://je-s.rcuk.ac.uk>).

Research Organisations / Catapults

Research Organisations and/or Catapults who cannot submit using the Je-S system should complete an Industry Partner Finance Form

6 Submitting your Application

How to Register

To enter this competition, the lead partner for your project must register via the [competition website](#).

You will receive an email acknowledgement of your registration. Between 24-48 hours later, you will receive an email containing a username and password to the Innovate UK secure file transfer website, and a uniquely numbered application form.

You must register for the competition in order to receive a numbered application form, and access to the Innovate UK secure file transfer site where you will submit your application.

Download Additional Forms

In addition to the uniquely numbered main application form that is issued via email, you will need to download additional standard forms. Use the login details supplied at registration to access the Innovate UK secure file transfer site, and download the following:

1. Partner finance form (Excel Workbook).
2. Application form (Section 4: Quantitative Assessment), as an Excel Workbook.

Uploading your Application

Once your application is complete, use the login details supplied at registration to access the Innovate UK secure file transfer site, and upload the following:

1. Application form (Section 1, 2 and 3) as a Word document.
2. Application form (Section 4: Quantitative Assessment) as an Excel Workbook.
3. Project Appendices (A, B, C, D), as PDF documents.
4. Partner Finance Forms, as Excel Workbooks, one per industrial partner.
5. Je-S Submission .pdf output document, one per academic partner.

Allow plenty of time before the deadline to upload your completed application. The file transfer site will experience high traffic around competition deadlines, and additional delays are to be expected. Deadlines for submission are definite and final, inability to upload your application due to slow network issues will not be treated as an exception.

Detailed instructions can be found in [Appendix 2: Submitting Your Application](#)

7 Receiving Feedback

Once all applications have been assessed, the lead applicant will be informed whether the application will progress to the next stage by e-mail. It is the responsibility of the lead applicant to inform all other partners in a project consortia of the decision.

You will be able to access feedback on your application by logging into the Innovate UK secure file transfer site on or after the date published in Section 3: Competition Timeline.

8 The Interview

If you are successful at the written application stage, you may be invited to interview, via email in order to present to the assessment panel. The panel will include technical assessors, economic value assessors. Representatives from BEIS, Innovate UK, and the APC will also be present to assist the Panel.

To prepare for the interview, you are expected to:

- Review the feedback on your written application, provided on the date stated in the timeline.
- Prepare and submit a written response to feedback, which will be given to the interview panel to review prior to your interview. You may submit up to 10 A4 pages of response to the technical assessment and up to 6 A4 pages of response to the VFM assessment. This is to be in the form of a single PDF or Word document which may include charts or diagrams.
- Prepare and submit your presentation material.
- Prepare and submit your list of attendees.
- Work with your consortia to develop a Collaboration Agreement, a mature draft of which should be brought to interview.

All documents should be submitted via the Innovate UK secure file transfer site, and should be submitted by the deadlines shown in the Competition Timeline, in Section 3.

Collaboration Agreement

Consortia must bring a copy of their Collaboration Agreement to the interview (a Word document on a memory stick and a printed copy of the same document). This does not need to be a complete document approved by all parties. The first question to all applicants in the question and answer session will be about the maturity and progress of the Collaboration Agreement. The maturity of the document will be used to inform the assessor's perception of risk to successful and timely start-up of the project if the grant is awarded.

Interview Attendees

You may bring a maximum of 9 attendees to your interview. Ideally this should include a representative from each consortia member organisation.

Submitting your presentation material

The presentation slide pack that you intend to present needs to be uploaded to the Innovate UK secure file transfer site on the date stated in the competition timeline.

Presentations should be submitted in Microsoft PowerPoint format and must not contain any videos or web links.

The presentation does not need to cover details that are addressed in the Response to Feedback document, unless there is further information to add.

Please note: No changes may be made to the presentation after the submission deadline.

Interview format

Due to the complex arrangements involved with scheduling this competition alongside many others from other sectors, interview timing is not flexible. You will be invited to attend a specific interview slot, and this cannot be changed to accommodate diary difficulties.

You will only be able to use the presentation material that was submitted in advance. You will not be able to present from your own laptop, and must use the laptop provided for you.

On the interview day you will be asked to wait in a specific area. It is important that you remain in this area during all waiting times to respect the confidentiality of your application or others that might be attending on the same day.

The following schedule will be observed from your designated interview start time:

		Applicants	Innovate UK	BEIS	APC
Set up	5 mins	Set up presentation	Facilitate		
Presentation	30 mins	Introduction and Presentation	Observe and assess	Observe and assess	Observe
Interview	45 mins	Answer questions from the interview panel	Pose questions and assess	Observe and assess	Observe
Break	15 mins	<i>Applicants asked to wait in another room while the panel consider the need for further questions</i>			
Additional Q&A session (if required)	15 mins	Answer questions from the interview panel	Pose questions and assess	Observe and assess	Observe

Figure 3: Interview Schedule

You will be able to access feedback on your application by logging into the Innovate UK secure file transfer site on or after the date published in Section 3: Competition Timeline.

9 Additional Information

9.1 Preparing for Project Kick-off

If your project is successful you will need to submit the following:

- A Collaboration Agreement signed by all consortia members.
- A detailed project timing plan and work package definitions.
- A financial forecast showing all partner's spend on a quarterly basis.
- A milestone register.
- A risk register.
- A plan showing the progression of subsystems and the main system through the Technology Readiness Levels and Manufacturing readiness levels.

Note that developing a collaboration agreement typically takes around 12 weeks, and must be completed and signed by all parties before the project can claim grant

The APC require you to provide the name and contact details for a communications contact, on this project. Please ensure that this person is able to provide: - approval for copy and images, support with messages and relevant senior quotes. Ideally we would like to work with them to submit technical papers at national and international conferences and support with demos.

While this Information is not part of your application, you may want to prepare some of it during the bid development phase, as it will be needed prior to project start. Delays in developing the Collaboration Agreement are a common cause of delays in project start.

9.2 FAQs

What project costs are eligible, and how do I complete the Finance Forms?

[Appendix 3: Your Project Costs](#), contains detailed information on which project costs are eligible for funding, how to complete the finance forms as well as submitting any academic costs into the Je-S system (a requirement for all academic partners).

Detailed guidance providing reference information on the different categories of funding and the associated rules arising from the state aid framework employed in this programme is provided in [Appendix 1: Funding Rules](#).

How do I submit my application?

[Appendix 2: Submitting your application](#), explains how to submit your application, any accompanying finance forms and appendices.

What happens after I have submitted my application?

[Appendix 4: What happens when you have submitted your application](#), provides information on the Innovate UK assessment process, notification of decisions and how to access your assessor feedback.

How do I make multiple project applications?

If a single Lead Applicant wishes to apply for funding for more than one project, the Lead Applicant must register once and then request additional application forms. The Lead Applicant should send an

email request to support@innovateuk.gov.uk describing their requirements. Innovate UK will then issue individual, uniquely numbered application forms as appropriate. Each application (plus associated forms and appendices) must then be uploaded to the Innovate UK secure file transfer site under the correct application number.

Do not submit multiple versions of an application form bearing the same unique application number. They will not be assessed.

What happens if we're successful?

[Appendix 5: What happens if you are successful](#), tells you what happens if your project is awarded grant funding. This includes information on the Conditional Offer Letter that you will receive, timescales, further information that will be required from your project team, the Grant Confirmation Letter and the Project Monitoring process once you start your project.

What if my application isn't successful?

If your application is not successful, you will receive informative written feedback. You are free to submit your application multiple times without penalty. It is recommended that you spend some time with a member of the APC team to run through the written feedback and ensure that all points raised are understood and fully addressed before the project is resubmitted.

What if my project doesn't fit the APC timeline?

If you have a project that you feel aligns well with APC criteria for funding, but does not align with the competition timing, contact the team at APC at your earliest convenience.

Can non-UK companies apply?

Non-UK based companies and research organisations are eligible to apply for funding provided that prior to the project starting they have set up a UK base from where the funded work will be carried out, and there is evidence that they intend to expand their R&D activity in the UK beyond the life of the specific project. Non-UK based companies who wish to join consortia without requesting grant funding are welcome.

Where can I find out more about the Automotive Council Industrial Strategy?

The briefing document is available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/211901/13-975-driving-success-uk-automotive-strategy-for-growth-and-sustainability.pdf

9.3 Glossary

Industrial Research

This is an important definition within European law, defined by the European Commission as follows:

This means planned research or critical investigation to gain new knowledge and skills. This should be for the purpose of product development, processes or services that lead to an improvement in existing products, processes or services. It can include the creation of component parts to complex systems and may include prototypes in a laboratory or environment with simulated interfaces to existing systems, particularly for generic technology validation.

validation.

Experimental development

This means the acquiring, combining and shaping of existing scientific, technical and other relevant knowledge and skills. This would be to produce plans, arrangements and designs for your products, processes or services. This can include producing drafts, drawings, plans and other documentation as long as they are not intended for commercial use.

It can also include the development of commercially-usable prototypes and pilots. This would only be allowable if the prototype or pilot would be too expensive for demonstration purposes only. Any revenue made from it, must be deducted from the eligible costs.

Experimental production and testing of products, processes and services is also eligible provided they cannot be used, in any form, in industrial applications or commercially.

Experimental development should not include routine or periodic changes to products, production lines, manufacturing processes, existing services and other operations in progress, even if such changes may represent improvements.

Lead Applicant

The Lead Applicant has a key role within the application process. We strongly advise that this should be the person most able to respond to day to day queries, and not a figurehead. The Lead Applicant must be available to receive essential communications throughout the competition process.

Appendix 1: Funding Rules

10 Applicant Type, Size and Activity

You may be eligible to receive different rates of funding depending upon the type and size of your organisation and the activity that you are doing in the project. For competition funding purposes, you will apply as:

- a business or
- Research Organisation or
- public sector organisation or charity

The APC provides funding for projects which are led by business. The principal objective of the support is to stimulate R&D and innovation activity, encouraging businesses to develop innovative products, processes and services with future commercial potential.

Business applicants, which includes industry and all other organisations that do not qualify as Research Organisations, or Charities/Public Sector Organisations undertaking research, can have their individual eligible costs funded at the following rates:

Applicant Business Size	Industrial Research	Experimental Development
Micro / Small	70%	45%
Medium	60%	35%
Large	50%	25%

Please see Section 2 below for research category definitions.

The definition of micro, small and medium-sized enterprises used by the APC is contained in the European Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC), which took effect on 1 January 2005 or any subsequent definition provided by the Commission. This can be found at:

<http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/>

"**large enterprise**" means any enterprise that is not an SME.

Research Organisations

When referring to 'Research Organisations' (RO) we use the definition from the Community Framework for State aid for Research and Development and Innovation -

"research and knowledge dissemination organisation' or 'research organisation' means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-orientated physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to conduct

fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such entity also pursues economic activities, the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert a decisive influence upon such an entity, for example in the quality of shareholders or members, may not enjoy a preferential access to the results generated by it.”

For APC competitions this means:

- Universities (HEIs)
- Non-profit distributing Research and Technology Organisations (RTOs) including Catapults
- Public Sector Research Establishments (PSRE) and
- Research Council Institutes

where the organisations meet the definition of RO as stated above and where they are undertaking non-economic activities.

Research organisations undertaking **non-economic activity** will be funded as follows:

- Universities – 80% of Full Economic Costs (as determined via the JeS application system described below)
- Non profit distributing Research and Technology Organisations, Catapults, Public Sector Research Establishments and Research Council Institutes – 100% funding of eligible costs

To receive funding at this level, Research Organisations should be non-profit distributing, and ensure they disseminate the outputs of their research relating to the project, and state in the application how they are going to do this.

Where Research Organisations are engaged in **economic activity** as part of the project, they should apply and will be treated as business enterprises and the aid granting conditions will be the same as those applicable to business.

See State Aid section for information on economic and non-economic activity.

Full Economic Cost (FEC) and Joint Electronic System (JeS)

Universities and other Research Organisations registered on the JeS system submit their costs through this system using an approved research costing methodology. The costs submitted and approved through the JeS system should then be input onto the specific Application and Finance Forms for submission into the competition.

Please note:

- Universities and other HEIs must continue to use the JeS system
- Other Research Organisations registered on JeS should continue to use that system where they are applying as academic institutions for non-economic project activity and where their costs are required to be submitted in that format (for example where co-funding from the Research Councils may require this)
- For JeS applicants, only 80% of the FEC is allowable as eligible costs. The remaining 20% is not considered to be a contribution from the Research Organisation to the project and should not show on the finance table or forms.

- Research costs submitted through the JeS system must be in line with the business and research participation rules.

Public sector organisation or charity

Public sector organisations and charities can work with businesses to achieve innovation through knowledge, skills and resources. These organisations must not take part in any economic activity or gain economic benefit from a project. They can apply for 100% of grant funding for their eligible costs under the following conditions:

- are undertaking research (see below), and
- meet the requirements for dissemination of their project results, and
- state in the application how they will do this.

Please note:

- research activity may be taken to be experimental or theoretical work or critical investigation aimed at the acquisition of new knowledge and skills or to research a new understanding for developing new products, processes or services
- where charities and public sector organisations are undertaking research within a project, their eligible costs should be included in the total research organisation involvement for the purposes of meeting the participation rules
- the organisation should also ensure that it is not applying for grant towards costs, for example, overheads, that are already funded by the public purse as part of its normal activities or as part of another public-funded project

See the **State Aid** section for information on economic and non-economic activity.

11 Category of Research and Development

The category of R&D activity will be specified in the competition scope, as explained in the competition brief and the guidance document. In applying to the competition, your project should fall within this specified category of research and development.

APC supports the following categories of research and development:

- Industrial research
- Experimental development

Industrial Research

This means planned research or critical investigation to gain new new knowledge and skills. This should be for the purpose of product development, processes or services that lead to an improvement in existing products, processes or services. It can include the creation of component parts to complex systems and may include prototypes in a laboratory or environment with simulated interfaces to existing systems, particularly for generic technology validation.

Experimental Development

This means the acquiring, combining and shaping of existing scientific, technical and other relevant knowledge and skills. This would be to produce plans, arrangements and designs for your products, processes or services. This can include producing drafts, drawings, plans and other documentation as long as they are not intended for commercial use.

It can also include the development of commercially-usable prototypes and pilots. This would only be allowable if the prototype or pilot would be too expensive for demonstration purposes only. Any revenue made from it, must be deducted from the eligible costs.

Experimental production and testing of products, processes and services is also eligible provided they cannot be used, in any form, in industrial applications or commercially.

Experimental development should not include routine or periodic changes to products, production lines, manufacturing processes, existing services and other operations in progress, even if such changes may represent improvements.

Projects that span more than one category of research

Sometimes projects include work packages with more than one category of research. For example, a project may include elements of Industrial Research and Experimental Development. In this case, you should identify:

- the main research category (this will be where more than 50% of the eligible costs will be incurred)
- which other categories the other work packages fit into
- the appropriate level of funding for the total project, for example for a large company if 80% of a project is industrial research and 20% is experimental development, the total eligible funding is 45% (80% @ 50% = 40%, and 20% @ 25% = 5%).

You should apply for grant funding equivalent to the aggregated work packages.

The Assessors will decide whether the work packages have been correctly assigned across the R&D categories. If assessors decide they have been incorrectly assigned, Innovate UK reserves the right to adjust the grant percentage accordingly.

12 Participation in a Project

Businesses

APC provides funding for research and development which is business-led. The principal objective of the support is to stimulate innovation activity, encouraging businesses to work with other commercial and research organisations to develop innovative products, processes and services with future commercial potential.

To support this business focus, we aim to optimise the level of funding business receives whilst recognising the importance of the contribution of research organisations to R&D projects. We require, therefore, the following levels of participation:

- at least 70% of the total eligible project costs are incurred by commercial organisations
- a maximum of 30% of total eligible project costs is available to research participants. Where there is more than one research participant, this maximum will be shared between them.

Businesses may choose themselves to fund directly any higher levels of research organisation involvement in projects, but those additional costs:

- will be considered to be outside the project
- should not be included as eligible cost in the project for either participant
- should not appear on any finance forms
- will not attract grant.

Please note: If a business applicant is participating in a project but is not requesting a grant, then:

- their role and level of involvement should be described in the relevant sections of the application form as for other participants. They can not be the lead partner in a consortium
- their name should appear in the list of participants in the finance summary table with their total costs but with zero grant requested
- they do not need to complete a detailed finance form
- if the application is successful, they will not be included in the grant offer letter but the project description will be made public to comply with government requirements on transparency of public funding.

Research Organisations

The level of Research Organisation involvement will be for the project consortium to agree according to the scope of the competition, and the specific project aims and objectives. However, it must also fit with the business share of eligible costs as outlined above.

Please note:

- The level of total research participation is set at a maximum of 30% of total eligible project costs
- If there is more than one Research Organisation (University, non-profit distributing RTO, Catapult, PSRE, Research Council Institute, charity or public sector organisation undertaking research) in the project, the maximum 30% of eligible costs must be shared between them
- Eligible costs for JeS registered applicants means 80% of FEC

Public sector organisations and charities

Where charities and public sector organisations are doing research within a project, the work and dissemination plan should be described in the application and the eligible costs counted towards the research organisation participation levels set for the competition.

Research activity may be taken to be experimental or theoretical work or critical investigation aimed at the acquisition of new knowledge and skills or to research a new understanding for developing new products, processes or services.

Collaboration

The objective of Collaborative Research & Development is to assist industry, research communities and other organisations to work together on Research & Development projects in strategically important areas of science, engineering and technology, from which successful new products, processes and services can emerge.

In all collaborative projects there must be:

- **at least two** collaborators;
- **a business-led consortium**, which may involve both business and research participants; and
- evidence of **effective collaboration**.

Effective collaboration can be evidenced, for example, through the distribution of work packages and added value created in the project from working together.

Typically, this would mean that no one partner would have more than 70% of the eligible costs, and we would expect to see the structure and rationale of the collaboration described in the application.

Please note: The lead partner in a project must be a grant recipient.

13 State Aid

State aid as defined by the European Community (EC) Treaty is financial aid that has the following characteristics: It

- is granted by the State or through State resources;
- favours certain undertakings or production of certain goods;
- distorts or threatens to distort competition;
- affects trade between Member States of the Community.

The Treaty allows a certain level of State aid within an approved framework, associated funding limits and criteria. We operate competitions within an approved scheme. This can be found at: <https://www.gov.uk/guidance/innovate-uk-funding-general-guidance-for-applicants#state-aid>

You are responsible for making sure that we are given the correct information that allows us to award grants within our scheme.

If there is a breach of State aid, the European Commission would require the project participants to repay any grant received, including interest, above that which was due. In a consortium project, the Collaboration Agreement should make provision for this possibility.

Non-economic activity

In most cases, the primary activities of Research Organisations are normally of a non-economic character, notably:

- education for more and better skilled human resources;
- the conduct of independent R&D for more knowledge and better understanding, including collaborative R&D;
- dissemination of research results.

Technology transfer activities (licensing, spin-off creation or other forms of management of knowledge created by the research organisation) are of non-economic character if these activities are of an internal nature and all income from these activities is reinvested in the primary activities of the Research Organisation.

Economic activity

Where non profit distributing RTOs, Catapults and public sector organisations are involved in a project where they are undertaking economic activities, they will need to do so as an industrial partner. They will, therefore, be required to provide the appropriate match funding for the project or will need to act as a sub-contractor. This would include, for example, projects where they do not plan to disseminate their results, or where they are not planning to reinvest the income from these activities in the primary activities of the research organisation.

RTOs operating on a 'profit distributing' basis will always be considered to be an industry partner.

The Community Framework for State aid for Research and Development and Innovation makes the following reference to the public funding of economic activities -

'If research organisations or other not-for-profit innovation intermediaries (for example, technology centres, incubators, chambers of commerce) perform economic activities, such as renting out infrastructures, supplying services to business undertakings or performing contract research, this

should be done on normal market conditions, and public funding of these economic activities will generally entail State aid'.

Please note:

Where Research or Public Sector Organisations are undertaking both economic and non-economic activity, in order to avoid cross-subsidisation of the economic activity, the two kinds of activities and their costs and funding must be clearly separated.

If the work that a Research Organisation or Public Sector Organisation is proposing to undertake in a project does not meet the definition of non-economic activity, then it should apply as an industry partner.

Dissemination

Where Research and Public Sector Organisations are involved in Innovate UK projects and funded for undertaking non-economic activity, we will expect to see evidence of plans to disseminate their project outputs over a reasonable timescale. This means we will look for evidence in the application and, for funded projects, during and following the conclusion of the research and development. The requirement for dissemination of research results intends to secure wider benefit from the higher level of public support given to Research and Public Sector Organisations.

There are various ways dissemination of project results may occur, for example producing a case study, speaking at a conference, publishing academic papers, open access repositories (databases where raw research data can be accessed by anyone), or through free or open source software and so on. The specific nature and timing of the dissemination will be determined by the project, but must be described in the application and developed throughout the project if successful in gaining funding.

Appendix 2: Submitting Your Application

REGISTERING FOR A COMPETITION

If you are the lead or single applicant, you will need to register for a competition in order to receive your username, password and a unique application form. Click here to register for your competition: <https://www.gov.uk/government/collections/innovation-grants-for-business-apply-for-funding#open-funding-competitions>

YOUR USERNAME AND PASSWORD

Once you have registered for your competition you will receive an email containing your username, password, unique application form and a secure URL.

Please check immediately the information you have received by clicking on the URL.

You will now see the public website for the competition. From here you will be able to download documents specific to the competition. For example, you will need to download the Finance Forms from this area.

From this website, click on the 'login' button in the top right hand of the screen. You will then be able to enter your username and password (do not copy and paste).

Click to confirm your acceptance of Terms & Conditions

Click the login button.

If this is your first log in then you will be required to change your password to one that is at least 8 characters long.

The online folder that is now visible is where you will be able to upload your completed documents.

YOUR FILES AND THEIR FORMATS

Before you upload your documents, we advise you to check that you have the correct files, filenames and formats for the competition.

Your files **must** be named as follows:

- Appendices should begin with **APPENDIX** and include the appendix reference of A, B, C or D plus your applicant number. For example: **APPENDIXAApp123456**
- File names must only be made up of Alpha Numeric characters, otherwise they will not be recognised by the system and they will not be assessed. Please do not include any other signs or symbols in the filename.

File formats must follow the conventions listed below:

- Application or Finance Forms supplied by Innovate UK for completion should not be converted, encrypted or zipped.

- Your Application Form should be saved as a Word document (.doc) or (.docx). It must not be converted and submitted as a pdf document as they will not be recognised by our system and so will not be assessed.
- Finance forms should be saved as an Excel document (.xls) or (.xlsx).
- Appendices must in Portable Document Format (.pdf).
- Section 4: Quantitative Assessment must be an Excel document (.xls) or (.xlsx).

UPLOADING YOUR DOCUMENTS

To upload your documents and submit them to us, please follow these steps:

1. Click on the URL supplied with your username and password which will take you to your secure login site.
2. Enter (do not copy and paste) your Username and Password.
3. Click on the T&Cs box, and click the log in button.
4. The online folder that is now visible is where you need to upload your completed documents. Click on the upload tab and click select files to show the file browser.
5. Select your file and click open and your file(s) will appear as 'pending'. You now need to click on the Start Upload button to upload your files.
6. when the upload is complete you will see the file name, size, type and date which should match those of your original document. You will not be able to open uploaded documents so it is important that you check that the name and size match

That's it! You have successfully submitted your application. Please note that you will not receive an email notification of your submission.

Please note;

- If you cannot view the login tab on the right hand side of the page, use the zoom out function on your internet browser window until it appears.
- The system may not work when copying and pasting username/password. If this happens, please manually enter your details.
- For security reasons you will be unable to download/open any documents that have been uploaded to the secure area. You should therefore verify that the file showing on your secure upload site has the same name and size as the one you intended to submit.

Appendix 3: Your Project Costs

14 Eligible Project Costs and How to Submit Them

All non-academic project partners must submit their project costs for an application on an industry partner finance form.

WHAT CAN YOU CLAIM AS ELIGIBLE COST FOR THE PROJECT?

As a business you can claim funding for eligible costs in your project. The eligible cost categories are described below.

When preparing your application you need to estimate the costs you are likely to incur in each of these categories. If you are working collaboratively with other businesses, they must submit their costs separately. Your 'total eligible costs' will be formed from the sum of these combined eligible project costs.

Eligible costs must be incurred and paid between the start and end dates of your project. Innovate UK pays your grant claims on the basis of verifiable and auditable actual eligible costs.

Please note: Revenue generated as a result of the project and realised during the project timeframe, should be offset against costs submitted. This is in line with EU state aid requirements.

14.1 Labour costs

You may claim the labour costs of all individuals working directly on your project. These should be calculated based upon your PAYE records. They should include gross salary, National Insurance, company pension contribution, life insurance or other non-discretionary package costs.

Ineligible:

- discretionary bonuses or performance related payments of any kind
- time spent not working directly on the project (for example sick, non-productive time, training days)
- dividend payments

In your application list the total days worked by all direct project personnel and briefly describe their role. Your eligible labour costs are calculated on the basis of salary amounts actually incurred and paid.

To calculate a daily rate take the total number of working days per year for your organisation minus standard holiday allowance.

Where an employee is part time, enter their costs as full time equivalent.

Micro companies, sole traders and partnerships not operating a PAYE scheme

If you do not currently operate a company PAYE scheme and are working directly on the project, you can include your labour as an eligible cost. This is subject to the following conditions which are in line with the European Commission policy:

1. your labour costs must be calculated using a maximum of:
 - 8 hours per day
 - 5 days and up to 40 hours per week
 - £22 per hour
 2. your costs must be paid through the business payroll and be subject to Income Tax and National Insurance
 3. your project time must be supported by timesheets, payroll and project records
- Any grant awarded must comply with the above provisions.

14.2 Overheads

Overheads are defined as additional costs and operational expenses incurred directly as a result of the project. These could include additional costs for administrative staff, general IT, rent and utilities.

We offer 2 methods:

1. 20% of labour costs
2. calculate overheads

20% of labour costs: There is no need to provide further supporting documentation or calculations in the form. Actual costs can be claimed up to a maximum of this calculated figure.

Calculate overheads: If you feel your overheads are higher than 20% you can calculate a value using the model supplied in the finance form. The model allows you to submit direct and indirect overheads. It also shows you which types of overhead costs associated with your project you can claim. Please make sure your indirect (administration) overheads are additional and directly attributable to the delivery of the project.

If your application is successful, any value claimed under this model will be reviewed to assess their appropriateness.

Businesses who have specialist overhead rates agreed with Innovate UK should complete this model for any new grant applications as the rates need to be validated for each new application.

Part 1 – Indirect (administration) overheads

You may need to consider costs in the following categories:

General administrative staff costs

Include staff costs where their work is purely strategic or administrative in nature. Their costs must be incurred directly as a result of this project. Exclude admin staff employed to support sales, marketing, account management and profit generating departments or those working directly on the project.

For permanent staff the costs you include here must be based upon PAYE (gross salary, NI, company pension contribution, life insurance) and exclude discretionary package costs such as bonuses, awards, performance related pay, dividends, etc.

Administrative support temporary / agency staff costs

This should include staff costs and fees paid to temporary staff agencies for the provision of temporary staff in administration or support services.

General office IT services

Include general IT services used across the whole organisation. Exclude IT costs where they relate purely to non-eligible staff and manufacturing/fee earning activities.

General postage (excluding any commercial/marketing activity)

Include postage and courier expenses for general administration needs. Exclude product delivery and any postage costs incurred through promotion, sales, marketing, customer relationship or accounts management.

Office supplies, printing and stationery costs

General office stationery and supplies such as paper, business cards, corporate stationery and office equipment for support/admin staff listed above. Exclude specific costs associated with sales, marketing, product delivery, product literature or reports.

Security and safety costs

Include costs associated with site and staff safety and security including signage and health and safety costs.

The following eligible costs are for administration office facilities only. Costs relating to manufacturing or production facilities, including new works or extensions are not eligible:

- **Building maintenance.** General repair and maintenance costs of administration facilities.
- **Building rental** where office space is leased, include the rental costs.
- **Contracted site services.** Costs of contracted services relating to administration facilities such as cleaning of offices.
- **Site property taxes.** Property taxes and charges relating to office space.
- **Utilities.** Electricity, gas, water, waste disposal, telecoms costs relating to administration office facilities.

How to calculate your indirect (administration) overheads in the Partner Finance Form

The following is a step by step guide to help you fill in the relevant details in order to calculate your costs:

Column A	Starting with your latest set of audited accounts (where audited accounts are not a legal requirement, please use internal management accounts or budget/forecast data) input your details against the relevant cost category in column A. Note the criteria earlier in this section
Column B	Please explain as a percentage the proportion of these costs which represent administrative activity.
Column C	Please state what percentage of these costs are additional and directly attributable to your project.
Column D	Column D will use the details filled in to automatically calculate the costs you put as being attributable to this project.

Column E Please provide a description of the cost constituents to further outline the costs you have included.

Once you have filled in this data you will see a percentage calculation (E). This calculates what you consider as being project eligible costs (D) as a proportion of the annual audited figures (A). We use this calculated percentage and apply it to the remainder costs categories you have inputted.

Please note: any administration costs which are deemed ineligible in this section, but which can be identified separately as being directly related to the project (e.g. based on invoices), should be claimed as direct costs within other sections of the finance form.

This will calculate an annual total. This will then be proportioned/pro-rated based upon the length of time you are working on the project. You will see a per annum, per month and a per project cost. The “per project” costs will form your total indirect (administration) overhead costs for the project.

Part 2 – Direct Overheads

As a business enterprise we understand that you may incur other overhead costs not outlined in the above section during project delivery. This free format section is to assist with making a claim for such costs. Direct overhead costs must be directly attributable to the project you are undertaking. They should not represent a full recovery methodology inclusive of redundant/spare capacity time/cost.

Please detail the costs including a description of each item together with the methodology/basis of apportionment used. This will help to validate the costs if your project is successful. As part of the validation, if your costs have been subject to an independent audit verification we may ask you to provide this report to support our financial eligibility reviews.

[Please note that costs associated with laboratories/workshops should be included within the “Other Costs” tab of the application form].

Once you have completed this form you will need to apportion these costs across the period of your involvement in the project

14.3 Materials consumed

You can claim the costs of all materials you need to buy from third parties and which you will use in your project. Any residual/resale value at the end of the project should be deducted from the total amount. Any materials bought from associated companies or partner organisations in your project should be calculated at cost.

New software bought for use on your project is eligible. Software already owned is not eligible unless you are buying extra licences or incurring more incremental and attributable costs. Any training or customisation of software for the project is covered under “other costs” below.

14.4 Capital usage

You may claim the usage costs of capital assets, providing they meet the following criteria:

- have a useful life of at least one year
- are stand alone, clearly definable and moveable
- capital items must conform to your organisation’s capitalisation policy

Please calculate the 'usage' value for all equipment and tools bought for use on your project with the following calculation:

Original purchase price (excluding VAT) or depreciation period (as per your current capitalisation policy) = monthly depreciation charge.

Project capital usage cost = (monthly depreciation charge x number of project months) x percentage of time used on project.

Worked example:

£305,000 divided by 48 months equals £6,354. Therefore the cost to the project should be £6,354 multiplied by 15 project months. Then apply 15 percent utilisation which equals £14,296.

14.5 Sub-contracts

You may claim costs relating to work carried out by third party organisations that are not part of your project team. The work:

- must be essential to the success of your project
- must involve expertise that does not exist within the project team
- must involve skills that it is not practical to develop in-house for your project

The amount of subcontracted work proposed in any project will be reviewed as part of the assessment of an application.

Any work supplied by associated companies should be charged at cost.

Where subcontractors are non UK based, please justify why you are unable to use a UK alternative.

Fees for trials and testing should be included within this category.

14.6 Travel and subsistence

You may claim reasonable travel and subsistence costs which are necessary only for the progression of your research project. Travel costs must be costed at 'economy travel' only.

14.7 Other costs

This category is used for any direct project costs which are not covered in the other categories. Examples of other costs include:

- **training costs:** These costs are eligible for support where they are specific to and necessary for your project. Innovate UK may consider support for management training specific to your project but will not support ongoing training
- **preparation of technical report(s):** For example, where the main aim of your project is the support of standards or technology transfer. You should show how this report is above and beyond what good project management would produce
- **market assessment:** There is some scope for support of market assessment studies that will help understand the applicability of your project results to the intended market. Market research as a promotional tool is ineligible
- **licensing in new technologies:** Innovate UK may consider support where it makes sense to do so, for example, to avoid "reinventing the wheel". If imported technology makes up a large part of your project (technology which is valued at more than £100,000) then it is expected that development of that technology is part of your project

- **patent filing costs for NEW intellectual property (IP)** generated by your project are eligible. This cost is allowable for SMEs up to a limit of £7,500 per partner. These should not include legal costs relating to the filing of trademark related expenditure. These are considered to be marketing/exploitation costs and therefore ineligible
- regulatory compliance costs are eligible if necessary to carry out your project.

14.8 Costs Which are Not Eligible for Funding

Project audit, legal and accounting costs. The legal costs of setting up your project or the collaboration and costs associated in conducting audits, accountant's reports or making grant claims are ineligible.

Other cost categories which are not eligible for funding are:

- recoverable input VAT
- interest charges, bad debts, profits, advertising, entertaining
- hire purchase interest and any associated service charges
- ongoing production, R&D (not related to this project), quality control/assurance, engineering, distribution, supply chain or selling costs or activities
- advertising and marketing costs or activities
- entertainment and hospitality costs
- profits earned by a subsidiary or by an associate undertaking work sub-contracted out under your project
- inflation and contingency allowances
- the value of existing assets such as intellectual property (IP) rights (not developed as part of this project), data, software programmes and other exploitable assets that any of the collaborators contribute towards your project
- sick days, waiting time and non-productive time
- bonuses, awards, profit related pay, company car expenses and any discretionary benefits to staff

15 Project Finance Forms

Project finance forms should be completed by each business partner. In collaborative competitions, each business partner (or non-academic partner) in a consortium must complete a project finance form to show the details of their eligible project costs.

If your project involves a collaboration, finance forms can be obtained from the lead partner of your consortium who will download them from the competition website. Once you have completed the forms they will need to be returned to the lead partner of your consortium who will upload them to the secure competition website along with the application form and any appendices. Every member of the consortium who is seeking a grant must submit a finance form regardless of the size of the grant that is being requested.

There are separate finance forms for industry and research organisation partners.

Please note: A research organisation or a Catapult that is unable to submit their costs through Je-s must complete an industry partner finance form.

15.1 How to complete your project finance forms

The finance forms are excel spreadsheets and must not be altered in any way so that we can process them within our systems to calculate your grant. The spreadsheets contain formulae that will help

you with your calculations and which also check and confirm when you have completed each individual section.

Excel Worksheet Tab	Description and Guidance
Guidance	This worksheet provides hints and tips on how to complete each tab of the industry finance form. Please read this sheet before completing the form.
Form status	This worksheet is designed to assist you in showing the completion status of the form. As you complete each form, it will calculate the status. When all subheadings are showing as “complete”, the major heading will also show as “complete” and you are ready to submit your form.
Applicant details	<p>This sheet is where you enter your company and project information. It is very important that you use the full legal name of your organisation as this is the name that will appear on the <u>grant offer letter</u> if you are successful.</p> <p>If your organisation is part of another organisation it is important that the ‘ultimate holding organisation details’ section is completed fully and correctly in order to establish your organisation’s funding size.</p> <p>Complete the SIC code appropriate to your organisation: a full list of SIC codes is provided on the final tab of the excel file.</p>
Other public funding	<p>You must provide details of other public funding that you are currently applying for (or have already applied for) in relation to this particular project.</p> <p>You do not need to include grants that have been used to reach this point in the development process and are now completed.</p> <p>This information is important as other public sector support is counted as part of the grant you can receive for your project.</p>
Other projects	<p>If you have previously or are currently involved in other projects funded by Innovate UK, please provide the competition name and applicant numbers of all the competitions. This includes competitions where you have received a grant offer but your project has not yet started.</p> <p>List in this worksheet any other applications you are making to this particular competition.</p>
Labour costs	See eligible costs section above
Overheads	See eligible costs section above
Material costs	See eligible costs section above
Capital usage	See eligible costs section above
Sub contract costs	See eligible costs section above
Travel & subsistence costs	See eligible costs section above
Other costs	See eligible costs section above
Project costs summary	The costs entered throughout your spreadsheet are automatically picked up in this worksheet.

	<p>Using these costs you should estimate how your costs will be spent across the financial year(s) of your project.</p> <p>Provide the amount of grant assistance sought from Innovate UK. This figure should not include any amounts sought from other sources as detailed on the other public funding worksheet.</p>
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15.2 Research organisation partners applying through the je-s system

If you have partners that are universities or other research organisations that are applying through the Je-S system, they will need to complete an academic partner finance form. To do this they will need information from the Je-S submission detailed below.

Innovate UK supports the principle of open access where project partners have agreed to publish outcomes as a route to dissemination. This should be included within a project's collaboration agreement and should follow the guidelines contained in the RCUK policy on open access. The policy is available here: <http://www.rcuk.ac.uk/research/outputs>

Additional costs for publication charges will not be considered.

Special note: PhD student project costs

Please note that the costs of PhD project students will not be eligible for inclusion in research organisation project costs. This is in line with current Research Council guidelines.

JE-S SUBMISSION

Each academic partner in your project needs to complete and submit an online "standard proposal" via the Research Councils' Je-S website by the noon deadline given in your competition brief or competition guidance (which you can find by searching the gov.uk website using the link <https://www.gov.uk/government/collections/innovation-grants-for-business-apply-for-funding>).

If any of your academic partners fail to submit this form, it could result in your whole application becoming ineligible for this competition. Further guidance on how to submit the Je-S form can be found below. To gain a better understanding of the Je-S requirements and process please go to the Je-S website at <https://je-s.rcuk.ac.uk>. **Please note that once your academic partner has submitted their form via Je-S it is not possible to resubmit.**

Your academic collaborators must use the Je-S system to calculate and submit their financial information. Academic partner project costs are calculated on the basis of full economic costs (FEC) as defined by the Research Councils. Should your project be successful, Innovate UK will fund your academic partners at 80% of FEC in line with research council funding.

The remaining 20% of FEC is not counted as part of the academic partner's contribution to your project and must not be included in any total project costs provided by your academic partner(s).

A pdf copy of the Je-S output document confirming a status of "with council" must be given by each academic partner to the lead partner of the consortium so that they can complete the finance table contained within the application form.

Organisations that are eligible to be considered as academic collaborators are registered on Je-S and may include:

- universities and similar higher education institution (HEI) organisations
- government research establishments
- not-for-profit research and technology organisations (RTOs)

Please note: other research organisations not registered on Je-S will need to complete an industry partner finance.

SUBMITTING RESEARCH PARTNER INFORMATION THROUGH JE-S

To submit an online “standard proposal” your academic partner will need to be registered with Je-S. If they are not registered with Je-S, they should make arrangements for registration as soon as possible to make sure they are able to meet the deadline as registration may take some time.

They must get the unique Innovate UK application number for the application from the lead partner of the project. This unique reference number links together all the application and finance forms for the project.

To access the online form, you should log onto Je-S, then:

- select “add new document”
- under the option for “council” select “Technology Strategy Board”
- under the option for “document type” select “standard proposal”
- under the option for “scheme” select “Technology Strategy Board CR&D”

A one-page ‘**justification of resources**’ which describes the need for the resources, should be submitted as an attachment to the Je-S application. A two-page ‘**pathways to impact**’ appendix is also required. This appendix must be submitted with both the Je-S submission and the Innovate UK submission. It will be considered as part of the assessment of the proposal. Guidance on the content of the ‘justification of resources’ and ‘pathways to impact’ appendices is available on the Je-S website: <https://je-s.rcuk.ac.uk>.

The online forms are completed and submitted in the same way as all other Research Council funding applications.

All academic participants will need to provide a pdf copy of the Je-S submission output document, showing a status of ‘with council’, to the lead partner. They can then complete the finance table in the application form and upload the pdf document with the application. Please ensure that you allow sufficient time for Je-S approval before the competition submission deadline.

Important note:

Academic collaborators should note that Research Council standard procedures apply to Innovate UK in the same manner as for all Research Council proposals. Principal Investigators’ submissions are held in a “submitter pool” in the Je-S system until Head of Department and University Research Office approval have both been received. It is the Research Office approval that has to meet the deadline and the onus is on the Principal Investigators to notify their Heads of Department and Research Office that a proposal has been submitted and that a deadline is imminent.

If you have any queries with regard to registering or using Je-S, please contact the Je-S Helpdesk by email to JeSHelp@rcuk.ac.uk or by phone on 01793 444164.

Appendix 4: What happens when you have submitted your application?

STEP 1 – YOUR APPLICATION WILL BE ASSESSED

Once the competition submission deadline is reached, all applications submitted to the competition are sent for assessment.

Your application is assessed independently by experts taken from both business and academia; this aligns with Innovate UK's competitive application process. To ensure this process is completely transparent and fair, the engagement of assessors is handled at arm's length from our funders.

Assessors are assigned to each competition based on their knowledge, skills, experience and the requirements of the competition. The assessors are chosen by Innovate UK and the Innovation Lead for the competition. All assessors are required to sign a contractual assessor agreement which covers confidentiality, declarations of interest and conflicts of interest. They are required to treat all applications in the strictest of confidence and to apply due Data Protection rules. .

We engage assessors as individuals, not as representatives of their employment. They assess proposals based upon their own knowledge and experience and do not seek other opinions on applications. Assessors are required to attend briefings conducted by Innovate UK in order to be qualified to undertake assessments which meet our quality standards.

Innovate UK preserves the anonymity of its assessors and their names will not be provided to applicants under the Freedom of Information Act 2000. All panel reports and ranking sheets are confidential and will not be available to anyone other than Innovate UK, its co-funders and its contractors.

STEP 2 – YOU WILL BE NOTIFIED OF THE DECISION

Once all applications have been assessed and checked for completeness, you (the lead applicant) will be informed of the decision by e-mail. It is the responsibility of the lead applicant to inform all other partners in a project consortia of the decision.

Innovate UK frequently publicises the results of Competition calls and this activity includes engagement with the media. Any consortium that wishes to publicise their project, at any stage, must contact the Media Relations Manager at Innovate UK before doing so.

STEP 3 – WE WILL GIVE YOU FEEDBACK

We will give you the feedback from the assessors who reviewed your application. We will inform you of the date from which your feedback will be available in the notification email. The lead applicant can access the feedback by logging on to the secure website where you uploaded your application documents. It is the responsibility of the lead applicant to communicate the feedback with other project partners. No additional feedback can be provided and there will be no further discussion on the application.

Appendix 5: What happens if you are successful?

16 The Project Start-up Process

STEP 1 – NOTIFICATION EMAIL

You or your lead applicant will receive an email notification on or before the "decision to applicants" key date stated in the Competitions Details guidance. This will tell you if you have been successful in applying for funding.

You will be able to access your assessor feedback within 4 weeks of notification.

STEP 2 – CONDITIONAL OFFER LETTER

You will be sent a Conditional Grant Offer Letter following the email notification in line with the timescales stated.

You will be asked to accept and return all required documentation within the stated timeframes.

Innovate UK will also review your project costs to check that they are compliant with the funding rules, and that your business can manage the cash flow of delivering the project.

The following are examples of documents that may be requested in the Conditional Offer Letter:

- Collaboration Agreement, for collaborative projects, duly signed by all participants.
- An initial Financial Forecast for each project participant / consortium member showing the anticipated spend, split quarterly throughout the life of your project.
- A letter on your company headed paper confirming your BACS details for payment purposes.
- A detailed Project Plan splitting the original project proposal into individual work packages.
- A Milestone and Risk Register for the whole project showing key milestones with an allocation of the project costs assigned to each milestone, the key risks and how these will be managed during the project.
- An Exploitation Plan for your project, containing further information where possible from that provided in the original application, setting out how your project team will exploit the results of the project.

Collaboration Agreement

The Collaboration Agreement should be created between the project participants and it should incorporate the operation and exploitation of the outcomes of the project.

It can take some time to reach agreement on this document within the consortium participants, especially considering the involvement of applicants' legal and finance departments.

You are therefore strongly advised to allow sufficient time. An example of collaboration agreement can be found on the Lambert Agreement website at: <http://www.ipo.gov.uk/lambert>.

Receipt of Documents

The project will not be able to start until all documents have been received and all checks are Innovate UK have been completed.

Upon completion of these checks, Innovate UK will send you a "Grant Confirmation Letter". You will be asked to enter your project start and end dates, sign the letter and return it to Innovate UK.

Please note that you cannot start your project before you sign and return the Grant Confirmation Letter and that the start date cannot pre-date the letter.

STEP 3 – COST REVIEW & FINANCIAL VIABILITY CHECKS

After the Conditional Offer Letter has been sent, the Technology Strategy Board will undertake financial checks on each of the project participants.

Cost Reviews

This review is to ensure that your project costs comply with the rules for the Competition and the State Aid requirements.

A member of our finance team may contact you for further information on the detail in your finance forms. It is important that you respond quickly to any requests for additional information, as the project will not be able to start until this review has been completed satisfactorily.

Financial Viability Checks

In addition, Innovate UK will undertake financial viability checks on all industry partner organisations. These are based on the latest accounts filed at Companies House, but we may ask for additional financial information if a participant has not filed accounts recently.

The purpose of the financial viability check is to establish:

- that the organisation is able to bear the cost of the additional research proposed over an extended period of time since grant payments are made in arrears of actual costs incurred and paid
- the organisation's ability to meet its current obligations, whilst at the same time participate in the collaborative research project
- the project's impact on the organisation's normal trading.

If an organisation fails one or more of the financial viability test criteria, or if specific funding ratios cannot be ascertained because of limited information or abbreviated accounts, or if you are not required to file accounts with Companies House, then additional information may be requested directly from you.

This may be one or more of the following:

- A set of management accounts.
- Summary trading forecasts and a quarterly cash-flow forecast for the total period of the project's planned duration.
- Details of bank overdraft facility, bank loan or funding from other sources.

17 Monitoring Officer

Most projects are assigned a Monitoring Officer who will attend project meetings as well as report progress and issues to the Innovate UK. Monitoring Officers also assist in the 'start up' phase of a project, helping you with all key documentation and ensuring the project starts off smoothly.

In general, the role of a Monitoring Officer is to:

- Monitor compliance with the terms and conditions of the offer, including claims and auditing.
- Report on project progress and escalate any issues that need resolving by us.
- Ensure that information is available to Innovate UK for "programme" level review and impact evaluation.

Please note that the project management and reporting for a project is ultimately your responsibility and not that of the Monitoring Officer.

18 Claims & Auditing

You can only claim for eligible costs incurred AND paid between the project start and end dates. Any costs incurred or paid outside the project dates are ineligible.

Depending on the size of grant awarded, claims will be subject to an independent audit to confirm that the costs claimed are in line with the terms and conditions of the offer. The audit requirement will be stated in the Conditional Offer Letter.

All grants are claimable quarterly in arrears (unless otherwise stated in the grant confirmation letter) and will only be paid once the necessary reporting and audits have been completed. Claims are paid directly to each participant. It is important that you plan your cash flow requirements to ensure you can accommodate the funding required for the project.