

# GENERAL GUIDANCE FOR GRANT APPLICANTS

## Your files and their formats

File names and formats must follow these rules:

- appendices should be named Appendix and include the question number and application number as stated in the specific competition guidance. For example: AppendixQ7 (application number)
  - If application numbers are not indicated as a requirement in the specific Application Guidance, then the proposed project title should be used in place of the application number.
- file names should only include letters or numbers and no special characters
- application or finance forms should not be converted, encrypted or zipped
- applications should be saved as word documents only
- finance forms should be saved as excel documents only
- appendices should be saved as pdf documents only

Please note: if your submitted appendices do not follow the specific competition guidance, your application will be ineligible and not sent for assessment.

## What happens after you have submitted your application

Applications must be submitted before midday on the day of the submission deadline. Late submissions will not be considered.

### How your application is assessed

After the deadline, valid applications will be sent for assessment. Only applications that meet the eligibility criteria and scope of the competition will be sent for assessment. You will be notified if your application is out of scope with full reasons as to why. DCMS reserves the right to declare applications as out of scope.

Applications are assessed by up to 5 independent assessors. The assessors are experts from both business and academia.

Applications are assessed against the same set of scoring criteria. Assessors will provide written feedback for each scored question in the application. All applications are assessed on individual merit. DCMS makes the final decision regarding funding.

DCMS reserves the right to apply a 'portfolio' approach in certain competitions. The portfolio will be spread across a range of:

- scope areas
- categories of research and development

- project durations
- project costs, including demonstrating value for money

This is to fit the spend profile of the competition. It will make sure that funds are allocated across the strategic areas identified in the scope of the competition. Successful applications are all required to meet a quality threshold.

### **You will be notified of the decision**

Once all applications have been assessed, you will be informed of the final decision by email. If you are the lead applicant you need to let the other collaborators and partners know the decision.

Assessor feedback will be provided on applications. This is usually 4 weeks after you have been notified of the decision. You will receive an email which will let you know when feedback will be ready to view.

## **What happens if you are successful**

### **Finance contact**

You must provide a finance contact. This contact is responsible for supplying any additional information we may require to complete our finance checks on your organisation. This is also the person who will submit the grant claims once your project is live.

### **Bank details**

You must supply your organisation's bank details so that we can validate them.

### **Finance checks**

We will perform viability checks on your organisation and check the eligibility of your project costs. If we have any queries around your finances we can use this section to contact you.

### **Spend profile**

Once we have confirmed your project is eligible, we will ask you to profile your costs across the duration of the project.

### **Conditional grant offer letter**

You will be sent a conditional grant offer letter that you must sign and return before the project can start.

Any additional documentation that you are asked for will need to be completed and returned within stated timelines.

### **Once you've submitted all documentation**

We will review your project costs to check that they meet our funding rules. You may be asked to provide further information on the detail in your finance forms.

Financial viability checks will be made on all industry partner organisations.

If your project is a collaboration you will be asked to provide a collaboration agreement. This is included in the competition materials.

We may choose to promote your project as part of our competition communications. If you have any queries about public relations or media coverage email

### **Claims and auditing**

Costs are only eligible if they are incurred and paid between the project start and end dates. Claims may be subject to an independent audit.

Grants should be claimed quarterly in arrears. Once audits and reports are complete, the grants will be paid to each participant.

If you require further information please contact 5G Enquiries on [5genquiries@dcms.gov.uk](mailto:5genquiries@dcms.gov.uk).

## **Subsidy Control**

Following the end of the transition period on the 31st December 2020, and as of 01<sup>st</sup> January 2021 the UK must follow its international obligations on subsidy control. This includes commitments arising from the UK's continued membership of the World Trade Organisation's Agreement on Subsidies and Countervailing Measures, and obligations set out in Chapter 3 of Title XI of the Trade and Cooperation Agreement (TCA) between the European Union and the United Kingdom.<sup>1</sup> Applicants are also advised to be aware of the potential relevance of the various non-binding (Joint) Declarations, made by the UK and the EU, which were published on 24th December 2020.<sup>2</sup>

### **Subsidy Control eligibility**

The TCA establishes the principles of the UK's subsidy control arrangements, and DCMS has reflected upon how best to demonstrate its compliance with the principles for the purpose

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<sup>1</sup>[EU-UK Trade and Cooperation Agreement](#)

<sup>2</sup>[EU-UK Declarations](#)

of this competition. Applications must use and comply with the approach set out in the competition guidance.

DCMS will not award grant funding to organisations that are an 'ailing or insolvent economic actor' (as defined in Article 3.5 of Part 2, Title XI of the Trade and Cooperation Agreement). DCMS therefore requires all organisations to undergo financial viability and eligibility checks and DCMS, as part of its assessment of applications, will request evidence that organisations are not 'ailing or insolvent'.

Before submitting an application for funding to DCMS, you must accept the terms and conditions of the grant. If you are in any doubt, you should seek independent professional advice about your eligibility. **Applicants are also required to obtain their own independent subsidy control legal advice and, if requested to do so, commit to sharing that advice with DCMS and its professional advisers.**

If an applicant receives a subsidy in breach of the domestic subsidy control arrangements, including the subsidy control provisions of the TCA, that applicant may be required to repay any subsidy received to the value of the gross grant equivalent of the subsidy, plus interest.

### **Further information on Subsidy Control**

The Subsidy Control team at the Department for Business, Energy & Industrial Strategy (BEIS) has lead responsibility within the UK for coordination and development of policy on subsidy control.

## **Funding rules**

We support and stimulate innovation in the UK economy by encouraging businesses to work with other commercial and research organisations. We largely expect that projects are led by businesses, but please see the competition guidance to see if there are any restrictions on lead partner organisation types. Other types of organisation can apply in collaboration with a business partner.

### **Collaboration**

DCMS plans to help industry, research communities and other organisations to work together on Research, Development & Innovation projects. This is primarily in science, engineering and technology. Within a collaborative project there must be:

- at least 2 collaborators
- a consortium which can involve business, public sector, third sector and research participants
- evidence of effective collaboration
- the lead partner of the project and at least one other partner must be a grant recipient.

Innovation is never easy, especially if it involves multiple organisations or is in the early stages of taking a new idea to market. Sometimes numerous businesses might need to be brought together with the help of a Research and Technology Organisation (RTO) leading

the project (please see project specific guidance for any restrictions on this). This can happen if:

- no business in the consortium has the capacity to lead the project
- collaborative research is to be undertaken by businesses who are at the same point in the value chain. In this instance the work must be essential to lay the foundations for the growth of an early stage industry. This type of project might lead to the development of new industry procedures or measurement standards

DCMS recognises the opportunity for innovation projects to be led by RTOs. This is subject to them being in collaboration with 2 or more companies. They need to have been developed to make sure that those with the right skills are doing the right work at the right time. This means that those in the consortium that are best placed to lead and deliver the overall project can do so. This will allow businesses (and especially SMEs) to focus on their contribution, route-to-market and exploitation.

## Participation in a project

DCMS requires commercial organisations to work with other organisations and research organisations. As such we have the following requirements:

- no single commercial organisation bears more than 70% of the total eligible project costs
- The level of research participation is a maximum of 30% of total eligible costs. Where there is more than one research organisation the eligible costs will be shared between them.

We would also expect to see the workings of the collaboration that you have described in the application.

If businesses choose to directly fund higher levels of involvement in research organisations then those additional costs:

- will be considered to be outside the project
- should not be included as eligible costs in the project
- should not appear on any finance forms
- will not be funded by a grant

The project consortium should agree to the level of involvement any research organisations have in the project. The involvement should, however, fit with the business share of eligible costs that are detailed above.

Where funding levels are more specific, these will be detailed in the competition scope.

Research done by public sector organisations should have a work and dissemination plan. This plan should be included in the application. Eligible costs should be counted towards the participation levels of the research organisation. These will be set by the competition.

Organisations fall into 3 categories:

- businesses
- research organisations
- public sector organisations

### **Business**

A business is defined as an organisation undertaking commercial activities.

The definition of SME used by DCMS is set out in the Companies Act 2006, amended by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015<sup>3</sup>. Under the Companies Act 2006 paragraphs 465 to 467 the SME can be summarised as: Up to 249 employees and annual turnover no greater than £36 million and/or an annual balance sheet total not exceeding £18 million.

A large business in this context means any enterprise which is not an SME.

### **Research organisation**

When referring to research organisations, DCMS uses the following definition:

Research and knowledge dissemination organisation' or 'research organisation' means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented 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 independently 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 the purpose of DCMS competitions, this means:

- universities (higher education institutions)
- non-profit research and technology organisations (RTOs) including catapults
- public sector research establishments (PSRE)
- research council institutes

This list is not exhaustive and DCMS retains the right to review

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<sup>3</sup> [Companies Act 2006](#)

Research organisations should explain how they will disseminate the output of their project research as outlined in the application.

Research organisations which are engaged in economic activity as part of the project, will be treated as business entities for the purposes of funding.

### **Public sector organisation**

Public sector organisations 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:

- they are undertaking research (experimental)
- they meet requirements for dissemination of their project results and they state in the application how they will do this
- they include their eligible costs for research purposes in the total research organisation involvement
- they make sure they are not applying for a grant towards costs which are already being paid by the public purse such as labour and overheads

## **Category of research and development**

DCMS expects the projects funded under Future RAN Competition to be experimental development with collaboration.

### **Experimental development**

This means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aimed at the conceptual definition, planning and documentation of new products, processes or services.

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions. The primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes.

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

## Funding rates

Applications will need to demonstrate how they comply with the funding rates that are as follows:

(a) The subsidy for each beneficiary shall not exceed:

- 25% for experimental research

(b) This may be increased by 10% where the beneficiary is a medium sized economic entity by 20% for a small economic entity.

(c) The subsidy intensity for experimental development may be increased by 15% where:

- (i) the projects involves effective collaboration between economic entities which at least is one SME and no single economic entity bears more than 70% of the eligible costs, or between an economic entity and one or more research and knowledge-dissemination organisations, where the latter bear at least 10% of the eligible costs and have the right to publish their own research results; or
- (ii) the results of the project are widely disseminated through conferences, publication, open access repositories or free or open source software.

(d) The eligible costs of research and development projects shall be allocated to a specific category of research and development and shall be the following:

- 1) personnel costs: researchers, technicians and other supporting staff to the extent employed on the project;
- 2) costs of instruments and equipment to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible.
- 3) costs for of buildings and land, to the extent and for the duration period used for the project. With regard to buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible.
- 4) costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project;



- 5) additional overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project.

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

- universities: 80% of eligible costs
- all other research organisations: 100% of eligible costs

## **Additional information**

### **Assessor confidentiality and potential conflicts of interest**

Assessors must accept confidentiality agreements and declare any potential conflicts of interest. All applications must be treated in the strictest of confidence. Independent assessors must assess all applications themselves and should not allow any other person to assess the application on their behalf. Assessor identities are kept confidential including under any Freedom of Information request.

We try to ensure that the information published in this guidance is up-to-date and accurate. However, the information given is not a substitute for taking legal or professional advice, which is the responsibility of the applicant. We cannot accept any liability for actions arising from the use of our guidance. DCMS cannot be held responsible for the contents of any pages referenced by an external link.