

## Guidance notes for Innovation Networks Grant Applications

### 1. What is the grant for?

The Innovation Networks grant is available for companies who are collaborating with at least two others to develop an innovative new product, process or service. The grant is there to help you move your product development forward. Projects should also contribute to the development and or diversification of the regional economy. Projects producing benefits to the environment or involving minority groups will be welcomed.

### 2. Who is eligible for the grant?

2.1 Each Innovation Networks application must include at least three eligible companies.

2.2 To apply for the grant you and your partners:

- must be an SME – defined as having less than 250 employees, an annual turnover less than 50 million Euro, a balance sheet less than 43 million Euro and not more than 25% owned by one or more companies not fulfilling these criteria
- must be located within the West Midlands region (as defined by AWM)
- must not have received any other public authority grants within the previous three years that, together with the Networking for Innovation grant would exceed the de minimis limits (currently amounting to 200,000 Euro). Please include details of any previous support received on the application form. This must include any free time or consultancy that you have received from other agencies.

### 3. Putting your application together

3.1 You will need to complete an Innovation Networks Application form and the Application Template along with company declaration forms for all partners.

3.2 Using the application template and these guidance notes you should put together your full project description. This is the most important part of your application and you should ensure that the document is clear, concise and covers all the areas requested.

3.3 The Innovation Networks project team are happy to assist you with the process and to review a draft application before it goes through the formal assessment process.

3.4 Your proposal can be emailed to the Innovation Networks project team but all forms will be required in original hard copy for the application to proceed.

3.5 Applications will be assessed and normally a response will be given within fifteen working days.

### 4. The rules

4.1 There are two types of grant available - revenue and capital. Revenue grants are available at £10K and the capital are available at £10k.

4.2 Revenue grants cover product development costs including prototyping, consultancy, patenting etc (see section 5)

4.3 Capital grants cover the purchase of tooling and machinery. (see section 5)

4.4 Total project costs should be a minimum of twice that of the grant chosen (i.e. for a £10,000 grant your project budget should be a minimum of £20,000.).

- 4.5 The project budget must include cash spend of at least the level of grant applied for. The cost of staff time spent on the project cannot be counted as cash spend but can be used as additional expenditure on the project.

Grant applied for	Total Project budget	Direct Project Costs	Project Contribution
£10K	£20K	£10K	£10K of spend and time

- 4.6 Hourly rates for staff time are based on direct costs only and should not include any commercial rates. An hourly rate form is supplied to be able to calculate this figure. For those people who are not drawing a salary from the company, you may cost their hours at a nominal rate of £10 per hour for the purposes of the grant scheme.
- 4.7 The support partners must each contribute a minimum in-kind contribution of £500 (at cost) to the project.
- 4.8 Offers are subject to the Terms and Conditions of the offer letter. The project will formally commence upon signing of the Acceptance of Offer form by all of the partners, although time and costs incurred from the date of the offer letter will be eligible in your final claim.

## 5. What project costs can and can not be included?

- 5.1 Eligible costs are those that are incurred exclusively for the project, these may include:

- Employment costs of personnel directly engaged on the Project (for Project Contribution only)
- Materials consumed during the Project
- Subcontract fees
- Consultancy fees
- Other fees for trials and testing
- Training costs
- Marketing costs
- Licensing in new technology
- Prototyping costs
- Patent costs
- The costs of purchasing any capital plant and equipment (capital grant scheme only).

- 5.2 Ineligible costs are :

- Input Value Added Tax
- Any other grant from any public authority received or receivable in respect of the Project which Project staff decides should be deducted
- Interest and service charges arising from hire purchase, leasing and credit arrangements
- The costs of purchasing any capital plant and equipment (revenue grant scheme only)
- Any addition for profit by the Company
- Business set up costs (company registration, insurance etc)
- General business running costs (rent, rates, furniture etc)
- Overseas travel costs. (these may be allowed if approved in writing in advance by Networking for Innovation Project staff).
- Any costs not detailed in the application without prior written approval from the Project Team

- (j) Monies already spent on the project pre-grant award, this covers any works carried out but not yet invoiced before your grant offer date.

## 6. What are the criteria for deciding who gets a grant?

- 6.1 Coventry University Enterprises are responsible for appraising applications and deciding which projects will get support.
- 6.2 There is no automatic entitlement to the grant. The Innovation Networks grant is discretionary and there is no guarantee that you will be offered a grant, even if your business and project is eligible.
- 6.3 The project will be assessed under the following headings:
- a) Innovation - the level of innovation
  - b) Commercial - is there a market? Is there a viable plan to get the product to market?
  - c) Need for grant - grants will only be given if essential for the project
  - d) Wider issues - environmental and social benefits
  - e) Likelihood of project success

## 7. How to claim the grant

- 7.1 The grant is payable in two equal instalments.
- 7.2 The first instalment of the grant can be claimed when you can evidence that you have defrayed Direct Project Costs that equal half of the grant offered.
- 7.3 The second instalment of the grant will be paid subject to the completion of the Final Report Form, together with the necessary evidence of activity (timesheets), expenditure (invoices and bank statements) and outputs evidencing expenditure of all Direct Project Costs and Project Contribution.

**Please note that all applicants will be referred to Business Link.**



*Business Link can give you independent advice and guidance to help you find the best assistance for your business. Visit your local Business Link [www.businesslinkwm.co.uk](http://www.businesslinkwm.co.uk) or alternatively give them a call on 0845 113 1234*