

# UK Research and Innovation

## Frequently Asked Questions: UK Research and Innovation Strength in Places Fund (SIPF)

This FAQs document will be a live document - updated as queries are received.

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## **General**

### **How does SIPF align with the principle of funding excellence in research?**

Proposals funded through the Strength in Places Fund will be based on existing strengths in research and innovation. SIPF will only fund projects that demonstrate excellent research and high quality innovation capability, where activities should make a significant change in rate of growth, relative to the baseline for the place. Evidence shows that building on existing strengths is vital to the success of public place-based R&D investment.

### **Is this follow-on funding for Science and Innovation Audits (SIAs)?**

No - the SIAs are an important way in which different parts of the UK have been identifying their science and innovation strengths, and we expect that a number of SIA consortia will come forward with bids into the fund. We would also expect and encourage consortia to apply who have not been involved in developing SIAs.

If submitting a bid from an established SIA consortium, we would expect the bid to be more considered and focused on the specific criteria set out for SIPF, not a re-submission of the broad SIA recommendations. This is particularly important where an SIA has covered multiple sectors or areas of technology. All prospective bidders should read and consider the 'out of scope' criteria set out in the call documentation before submitting an EOI.

### **How will this benefit people across the UK?**

The link between high quality research and innovation activity and productivity and growth is well understood. This fund will have a strong focus on supporting collaborative activities that will drive tangible growth and economic impact at the local level. Direct benefits could be, for example, increased inward investment to a particular region, new and better jobs for local workers or a local research organisation that is more deeply rooted in the local community and so is better able to provide vital services like skills development or the transfer of knowledge to local businesses.

### **Does this replace EU structural funding (e.g. ERDF)?**

No. This fund does not replace EU structural funding. It is funded through the Autumn Statement 2016 uplift for R&D.

## **Scope**

### **What is the expected split of capital/revenue activities?**

Applicants should propose the mix of capital and revenue funding as appropriate for the bid. However, given that we have made the support of new strategic national infrastructure 'out of scope' we would not expect to support 100% capital projects.

**Can we include activities that UKRI will not fund, but the consortia will support through co-investment?**

Yes and we encourage applicants to set out clearly in their application the ‘additionality’ that any UKRI funding would bring and, at full bid stage, how assurance will be provided through the project’s governance structures.

**The call mentions that recreating national grand-challenge programmes (such as the Industrial Strategy Challenge Fund - ISCF) at a regional level is out of scope. Does this mean that we should not apply in an area of activity already covered by ISCF?**

No. The SIPF is open to any sector, area of activity or discipline and this includes those covered by the ISCF. We do not propose, however, to support projects that focus regional cluster activity in delivery of national challenges and national economic outcomes that can be supported through other national programmes.

**Is there a limit to the number of bids that a research organisation can lead, or be involved in? [New FAQ]**

We expect research organisations/universities to identify their key strategic directions and collaborations that will have the biggest impact on economic geography set out in their bid. It is not for UKRI to decide upon priority strategic objectives for research organisations/universities. We expect consortia to clearly set out the rationale for the proposed activities, considering the most appropriate co-investment that supports these activities. For these reasons, we wouldn’t expect to see multiple applications from research organisations/universities, given the scale of activity and resource required.

**Can a bid include only one research organisation, working with one business, with strong engagement with local leadership? [New FAQ]**

Yes. A full stage bid must, at minimum, request funding from UKRI of £10 million, so consortia should decide if the proposed activities, involving one research organisation, one business (and with engagement from local leadership) are of sufficient breadth, and will be able to demonstrate a contribution towards significant, relative regional economic growth.

**The Government’s Industrial Strategy White Paper (published November 2017) mentioned clusters – how important is it that projects are from existing clusters?**

Applications must be from existing clusters. We are particularly interested in supporting clusters have strong growth potential. A ‘cluster’ must include local businesses / supply chains that are working with local research organisations. Bids should seek to enhance the local ‘ecosystem’ and strengthen collaboration and partnerships in order to build the cluster’s critical mass.

**Is it possible for more than one organisation to establish a special purpose vehicle to be an eligible lead for the application? [New FAQ]**

Whilst SPV’s are not ineligible as a lead organisation we would need to be assured that the SPV was established as a legal entity and had sufficient funding and

governance within its structure to manage the cash flow and liabilities of the project. This would be investigated as part of our financial due diligence.

### **What skills provision can be included in a SIPF bid? [New FAQ]**

As set out at paras 33-36 in the Programme Overview, bids may wish to include skills provision as part of research and innovation activities that contribute to a significant, relative economic impact. All opportunities for skills development should be accompanied by a clear indication of the expected and/or potential outcomes. Skills provision that is outside the remit of UKRI, (for example, apprenticeships) can be included in a bid but will not be directly funded by UKRI. Those activities will need to be met by co-investment from partners within the consortia.

Skills activities that fall within the remit of UKRI (e.g. Knowledge Transfer Partnerships - KTPs) may be included within a SIPF bid, and would be directly funded by UKRI. However we would expect these to be fully justified in a bid, recognising that SIPF is not looking to duplicating funding of existing UKRI schemes/mechanisms.

### **Can undergraduate or postgraduate skills provision be included in a bid? [New FAQ]**

We would not expect bids to include funding for new undergraduate courses. We also would not expect requests for UKRI to fund postgraduate skills to make up significant components of SIPF bids, as support is available through a number of established UKRI programmes.

We would consider postgraduate skills support as part of SIPF bids in exceptional circumstances, but these would need to have a clear and demonstrable economic outcome and a clearly articulated research component. All opportunities for skills development should be accompanied by a clear indication of the expected and/or potential outcomes.

## **Costing and co-investment**

### **What co-investment is expected?**

There is no absolute requirement for direct co investment in bids other than that necessitated for compliance with state aid rules. We expect consortia to have read the guidance on state aid and to have considered this fully within their application. UK Research and Innovation would, however, strongly encourage direct co investment from consortia partners, where possible, to demonstrate commitment to the bid.

### **How should bidders approach consideration of state aid? [New FAQ]**

We expect that EOIs will set out the principles of how issues of approved forms of state aid will be managed. We then expect the detailed design process supported by those who receive development funding to set out a more detailed proposal regarding state aids. We envisage that most applications will seek to use the General Block Exemption Regulation, or when needed, the De Minimus Regulation, but other approved approaches are not ruled out

### **Is co-investment weighted, so that a higher contribution will be looked upon more favourably? [New FAQ]**

No. The assessment criteria are set out at paras 48–49 in the Programme Overview. Consortia should consider and propose the most appropriate co-investment (funding, or in kind) to support activities.

## **Guidance on approach to costing for research organisation**

### **What staff costs and overheads can we claim for? [New FAQ]**

Staff costs should reflect actual pay rates plus overheads incurred. All bids should set out the costs, and make the case for how different contributions (from partner organisations) will cover these. The costs should be proportionate to the benefits and relevant to the particular projects and you should ensure you use an appropriate funding mix for the project, and make all costs and funding contributions clear in the bid.

### **Is the SIPF using full economic cost (FEC) calculations? [New FAQ]**

SIPF is following the Research England approach to funding activities strategically and flexibly, taking account of opportunities to lever in multiple sources of co-investment, based on judgement of benefits, i.e. a wider public good or sector-wide benefit across all parties. Therefore, payments are not made on the basis of a specific full economic cost (FEC) rate. Organisations should consider the financial sustainability of the activities for which they are requesting funding. When costing, the proposal institutions should follow Transparent Approach to Costing (TRAC) principles, ensuring that total costs are reasonable. Detailed guidance on TRAC can be found here: [www.hefce.ac.uk/funding/finsustain/trac/](http://www.hefce.ac.uk/funding/finsustain/trac/)

All bids should set out the costs and the basis upon which they have been calculated. They should then make a case for their proposed mix of contributions, from partner organisations, to cover these costs. We expect that the funding requested from UKRI will be balanced with appropriate co-investment that demonstrates the commitment of partner(s) to the bid. We expect the appropriate level and mix of contributions of different parties to differ between projects which may have very different goals.

## **Bids and bidding rounds**

### **How many individual projects will this fund support?**

The first wave of the Strength in Places Fund will support between 4 and 8 proposals at full funding stage, with a greater number of Expressions of Interest likely to be supported through the call.

## **Expressions of interest (EOIs)**

### **Do bidders need to have submitted an expression of interest (EOI) in order to bid in the full round?**

Yes, the full bid stage will be a 'closed competition'. Only those consortia that are successful at the EOI stage will be invited to develop a full bid.

### **Can bids have joint leads of more than one research organisation and/or business?**

No – each consortium must have a single lead that will be responsible to UKRI for accountability and administration of funds on behalf of the partnership as set out in the call guidance.

### **Are letters of support from partners required at the EOI stage? [New FAQ]**

No - consortia may wish to receive endorsement from partners in the form of a signed letter, but applicants are not required to submit letters of support at EOI stage.

### **What role is expected of partners from local leadership organisations (LEPs, local authorities, Combined Authorities, enterprise bodies and similar economic agencies across the four nations of the UK), and what evidence of this is expected within bids? [FAQ updated v.2 to clarify that letters of support are not required to be submitted to UKRI at EOI stage]**

Whilst local leadership bodies will not be eligible to receive funding / draw grant from lead partners, we do expect to see evidence of active engagement and commitment, (over and above letters of support, which are required for the full stage). For example, they may have a strong role in project governance, or they may make a cash contribution to the proposal (e.g. for complementary local research infrastructure). Also, we will expect to see evidence within bids that consortia have had robust discussions about how their proposals fit with relevant local strategies.

### **How do we expect local leadership to approach prioritisation of bids to SIPF? [New FAQ]**

UKRI does not expect local leadership organisations to carry out formal prioritisation of SIPF bids before they are submitted to UKRI. We do however expect that local leadership organisations will consider local bids and inform the respective consortia of their level of support for the proposed activities. This should recognise the need for bids to demonstrate alignment with relevant local plans and strategies.

### **Can the lead organisation change after seedcorn funding? [New FAQ]**

Yes. There is flexibility for a change in lead partner, from EOI to full stage, provided this is fully justified.

### **Where can I find an overview of EOI application form? [New FAQ]**

Applicants should apply via the [Innovation Funding Service](#), an online application process. You will need to create an account in the service to start an application.

Applications are separated into sections, which all need to be completed in order to apply. You cannot submit an application unless you have correctly completed each section. Full guidance for completing each section can be found within the service.

You can find an overview of the EOI application form under the 'How to Apply' tab at the following link: <https://apply-for-innovation-funding.service.gov.uk/competition/161/overview>

## **Award letters**

### **How will the cash flow move between partners? [New FAQ]**

Funding will be allocated via a single award letter to a lead partner and it is expected that the lead partner will distribute and manage funds across the partners. Therefore arrangements should be put in place during EOI and seedcorn funding for the full stage.

### **How will you award funding? [New FAQ]**

The lead organisation of the project collaboration will be the grant recipient, issued with a single grant letter from UKRI. The lead organisation will be responsible for establishing appropriate governance procedures and structures to distribute funding amongst the consortium partners, in line with State Aid requirements.

## **Evaluation**

### **How should bidders evidence the intended significant, relative, uplift in growth and/or productivity as a result of the activities proposed? [New FAQ]**

the EOI application form, we ask consortia to set out how the project will improve the local economy, over a specified time-scale. This will include details of: the number of high quality jobs created; the gross added value (GVA) return to the local economy; and improvement to regional productivity. Consortia should set out the appropriate indicators and measures relating to the proposed activities.

We ask consortia to set out the broader societal and environmental impact that the project is likely to bring to the chosen geography, and how follow-on private sector investment will be leveraged, in order to bring future sustainability.

Consortia must set out a logic model which indicates how the intended outcomes link to the activities proposed.