

Smart Innovation and Networking for Growth

Overview

The project will use ERDF funding to support SMEs who wish to significantly improve existing products or develop new products, processes and services, possibly through working with a university or research institute. It is managed by The iNet, Loughborough University (formerly Transport iNet).

Businesses must be based in **Leicester & Leicestershire Local Enterprise Partnership area (LLEP)** and be engaged in the general area of one of LLEP's priority sectors:

- Advanced manufacturing and engineering
- Food and drink manufacturing
- Textile manufacturing
- Low carbon technologies
- Logistics and distribution
- Creative industries

The support includes a mixture of:

- Fully-funded access to expertise and co-operation with universities and other research centres and institutes
- Part-funding (grant) towards external costs of innovation projects.

It will make it easier for SMEs to work with research institutes and accelerate their development and implementation of new products, processes and services.

The programme will operate from October 2016 through to December 2019.

SME support - Main Points to Note

Support may include one or more of the following:

- An enrolment meeting to establish eligibility and to discuss your research, innovation and development needs
- Identifying appropriate research institutes for research and innovation collaborations – to enable you to progress your plans
- 2 days of research work carried out by our in-house researcher
- Fully funded access to support from Loughborough University
- Part-funding towards external costs relating to company based innovation projects – via simplified application process
- Part-funded collaboration with research institutes across the UK and further afield – *this call has now ended*

Other considerations:

- Direct project activities and SME beneficiaries in LLEP area only.
- Projects will involve innovation and must be aiming to introduce a new or significantly improved product, process or service
- **Funding is subject to availability and is paid at a rate of 38% for eligible external capital costs, up to a spend of £35,000, and at a rate of 40% for eligible external revenue costs, up to a spend of £12,000. There is no minimum. See page 2 for examples of types of spend.**
- Ideally projects should be aiming towards the creation of a new job, although this is not a requirement of this scheme
- SME contribution will be in cash – i.e. for external costs and expenditure made by the SME - not in kind
- The funding provided constitutes state aid, this includes General Block Exemption Regulations [GBER] Article 25 and 28 and de minimis. Appropriate application of these regulations will be discussed with an innovation advisor.



European Union

European Regional
Development Fund



European Union

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Development Fund

Grant Funding

The type of activity that may be funded is likely to involve some elements of:

- Developing new products and services and bringing these to market – e.g. design, feasibility, proof-of-concept, certification, pilots/trials
- Adapting existing products, systems and processes for use in different applications – e.g. adapting marine vessel corrosion protection systems for use on off-shore structures
- Introducing/developing new processes or materials that lead to new or significantly enhanced products and services

Eligible forms of **Capital Expenditure** (items over £5,000) include:

- New production and prototyping equipment
- Laboratory and production/product testing and measurement equipment.
- Large component parts of prototype

Eligible forms of **Revenue activities** include:

- Research, design and specialist test services
- IPR (Intellectual Property Rights) advice and support
- IT hardware and software for product development, design and testing and to support systems integration and process improvement (but not routine items such as accounting or sales systems)
- Small items of equipment (under £5,000)

Process Outline

Suitable SME beneficiaries will be visited by an innovation advisor who will undertake an Innovation Review to determine the nature and type of support required. The advisor will support SMEs throughout the application and claims process helping them to follow the scheme and ERDF regulations.

Applications will be reviewed against:

- Economic viability of the SME
- Strength of the business case
- The potential for introducing new or significantly improved product, process or service

SME beneficiaries must adhere to the ERDF compliant procurement regulations for purchasing goods, services, and capital equipment and provide evidence to demonstrate this compliance with the application. We are not able to support any expenditure for orders which have already been placed prior to the offer of a grant.

Grant payments will be made upon completion of the project and provision of ERDF compliant defrayal of expenditure by the SME. Where the grant supports capital expenditure the SME will be required to maintain an asset register for the capital items. SME beneficiaries will also be asked to sign output forms on the progress of the introduction of new products, processes or services and any new jobs created as a result of their project.