



Solent Green Growth Programme

Research and Development

Grants

Guidance Document
Version 1.0





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1. Introduction

1.1 Programme Description

Future Solent is a partnership that was established with agreement and support of The Solent Local Enterprise Partnership (Solent LEP), together with the Partnership for Urban South Hampshire (PUSH) and the Hampshire Chamber of Commerce. Its purpose is to develop a low carbon economy in the Solent sub-region and stimulate sustainable economic growth, create jobs, and reduce the carbon footprint of the area.

Future Solent is a partnership comprising businesses from the Solent sub-region together with The Hampshire Chamber of Commerce, the universities and local councils. Future Solent will run a programme to support the development of businesses within the low carbon economy.

This programme provides a focused range of interventions to support targeted SMEs in the low carbon economy. It brings together the expertise of the Hampshire Chamber of Commerce with three universities and public sector partners to deliver a range of business services to accelerate SME growth, services which are unlikely to be provided by the market alone.

The programme will be targeted at new and existing SMEs looking to expand across the Solent LEP area in the environmental technologies and services market.

The programme will deliver the following support for businesses:

Support for Environmental Technology R&D and Innovation Businesses

Small and medium sized businesses will be provided with access to R&D facilities, laboratory and office space as well as networks and support. This will assist businesses in developing products to the point of market, reduce substantial overheads of research facilities which are prohibitively expensive for innovative R&D SMEs to provide for themselves. Businesses will also be supported in developing business plans to develop and expand the businesses and deliver their products and services to market.

In addition, Future Solent and Eastleigh Council (acting as Accountable body for the scheme) together with the University of Southampton and the University of Portsmouth will run a competitive programme to award business grants to R&D businesses.

Whilst the support and the grants will be open to all R&D SMEs in the Solent LEP area, a priority will be given to those located within the administrative areas of Portsmouth, Southampton, the Isle of Wight and the campus of University of Southampton Science Park (within Test Valley administrative area). The R&D facilities, networks and support will

be delivered at the University of Portsmouth campus and the University of Southampton Science Park.

1.2 Green Growth Programme Geography

The programme will support businesses from across the area covered by the Solent LEP but in particular will seek to support businesses within the two cities of Southampton and Portsmouth and the Isle of Wight. The programme will aim to deliver 60% of the funding to businesses located in the administrative areas of Southampton, Portsmouth and the Isle of Wight.

The map below outlines the area covered by the programme:



Support for Environmental Technology R&D businesses will be focussed on University of Portsmouth campus, in the administrative area of Portsmouth City, and at University of Southampton Science Park, in the administrative area of Test Valley, close to the boundary with Southampton City area and within the Southampton Travel to Work Area (TTWA).



1.3 Regional Growth Funding

Regional Growth Funding (RGF) is a £3.2 billion fund helping companies throughout England to create jobs between now and the mid 2020s. The payment of RGF money is spread between 2011 and 2017. RGF supports projects and programmes that are using private sector investment to create economic growth and sustainable employment. The Solent Green Growth programme secured a total of £3 million funding through RGF Round 4. The value of the Research and Development Fund is £1,100,000.

2. The Grant Scheme

2.1 Background

The programme will support the growth of the low-carbon industries, as well as providing access to the necessary physical environment to undertake the work.

The costs of creating laboratory space for R&D and access to academic expertise can be prohibitive for start-ups and SMEs. This significantly challenges the ability for smaller companies to undertake the R&D that they require in order to fully develop the new technologies required to support the low-carbon agenda.

This project will provide R&D grant funding for SMEs which will enable them to access the facilities and knowledge base within the universities in the region, thereby generating a better return on R&D activities for those companies.

2.2 Grant Threshold

Applications from between £5,000 and £100,000 will be accepted.

2.3 Eligible Activity

Typical activities that will be funded include small to medium research and development grants, technological development projects, proof of concept studies, hire of facilities for commercial purposes, and employment of additional research staff. All projects will be required to demonstrate private sector matched funding and the creation of sustainable jobs. Applicants will need to demonstrate how the project addresses the low-carbon agenda of the programme.



2.4 Ineligible Activity

Applications can only be made for new projects. As such, funding cannot be provided to cover businesses existing working capital. For the purposes of these funds, working capital is defined as the net of the business's current assets and current liabilities. Current assets are short-term assets that are easily convertible into cash or ones that can be converted into cash within a year and examples include cash itself, debtors or receivables, inventory or stock and raw materials used in production.

2.5 Business Eligibility

This funding stream is only open to applications from SMEs. Applicants must confirm that they meet the SME definition criteria as outlined in section 2.8. Businesses must be located within the geographical area outlined in Section 1.2. Jobs created as a result of the scheme must be located within the same area.

2.6 Creation of Private Sector Jobs

Applications will need to demonstrate the creation of sustainable private sector jobs. A minimum of one job is required to be created per successful application, however applications that generate more jobs will be stronger. Jobs must be maintained for a period of three years. The cost per job will form part of the assessment criteria for review of applications, and as a guide, the panelists will be looking for an average cost per job over the programme of approximately £22,000.

Jobs created under the scheme must be full-time i.e. 35 hours per week.

Businesses must be located within the geographical area outlined in Section 1.2. Jobs created as a result of the scheme must be located within the same area.

2.7 Private Sector Leverage

Applicants can only apply for a maximum of 50% of the total costs of the project. The remainder must be in place from other funding sources before the project can commence. The level of private sector matched funding for the project will form part of the assessment criteria and applications which demonstrate a greater private sector leverage will be stronger. For state-aid purposes, private sector leverage is defined as the eligible costs of the exemption under which you are applying (e.g. R&D or SME). Contributions of services donated in-kind will qualify as private sector contribution. However whilst legitimate, these will need to demonstrate additionality, i.e. that the in-kind contribution would not materialise without the support of the Green Growth Programme.



For competitive purposes, this will be judged by the panel. For example, if two projects were in all other ways similar and one had a cash contribution and the other had a contribution labelled as labour and expertise and not monetized the former would be favoured.

2.8 Legal Issues

If the EU or Government withdraws, varies or substantially amends the running of the programme or its financing, then funds will not be available and neither Future Solent, nor Eastleigh Borough Council (acting as the accountable body for the programme) will be liable for any costs associated with the applications.

Please note that Future Solent and Eastleigh Borough Council (acting as the accountable body for the programme) accept no liability for any costs incurred in the submission of applications in relation to the programme under any circumstances.

Please note that grants will only be paid into business accounts. For the purposes of these funds, SMEs are defined under the 'SME' definition in Annex 1 of the Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty ("the General block exemption Regulation") The definitions of SMEs are summarised in the table below. In addition to the staff headcount ceiling, an enterprise qualifies as an SME if it meets either the turnover ceiling or the balance sheet ceiling, but not necessarily both.

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

2.9 State Aid

Applicants will be required to demonstrate that their proposals are compliant with the State Aid regulations in force at the time of submission. Information on State Aid compliance is available on the following websites

<https://www.gov.uk/state-aid>

<http://www.bis.gov.uk/assets/BISCore/consumer-issues/docs/10-951-state-aid-beginners-guide.pdf>



3. Application Process

3.1 Outline

There will be a two stage application process. Applicants will be invited to complete an Expression of Interest Form (EOI) which will contain sufficient information to determine that the project are eligible for funding. EOIs will be reviewed by a panel including representatives of the Universities of Portsmouth and Southampton and the Accountable Body. This panel will focus on ensuring projects meet all the criteria required for the funding, including initial due diligence.

Successful applicants at the EOI stage will be invited to complete a full application which will be submitted to the Investment Panel . Please note that support of an EOI is not a guarantee of funding.

The full application form requires more detailed information regarding the proposed project, the business and the project team. As well as submitting an application form, applicants will need to provide additional documentation such as a business plan and copies of financial accounts. All applicants who reach the full application stage will be invited to give a 10 minute pitch to the Investment Panel. Applicants will be given a period of four months to submit their their full application form for consideration by the panel. During this time their funding will be ringfenced. Failure to meet this deadline will result in the funding being recycled within the programme.

Staff from the Universities will be available to assist applicants with all stages of this process. Contact details can be found in section 6.

Applications will need to be submitted electronically to the Programme Manager. Arrangements can be made for applicants to submit hardcopy versions of their application if required. The Programme Manager should be contacted for further advice.

Please note that the Investment Panels will not be obliged to consider applications received after the relevant deadline for a meeting and delays in receiving applications due to the postal service will not be taken into consideration

The panel will recommend funding decisions to the Future Solent Board.

3.2 Programme Management

The programme will be managed by the Green Growth Programme Manager. They will be the first point of contact for all potential applicants for the programme. They will also be responsible for conducting all due diligence, issuing award letters, conducting site visits and ensuring compliance with the monitoring requirements for the funding.



The Programme Manager will broker relationships with the Universities on behalf of the applicant if required

3.3 Application Support

Staff from the Universities are available to support potential applicants through the whole of the application processes, for example providing advice on completing the application, identifying potential collaborators, advising on the assessment criteria for the programme. If projects are not deemed eligible for the funding at any stage in the process, staff from the universities will endeavour to support companies with, for example, alternative routes for funding and/or mechanisms for achieving the project goals. E.g Use of University facilities/expertise or exploring other government funding schemes.

3.4 Timing

The first EOI Scrutiny meeting will take place in November 2013 with full applications being considered by the Investment Panel in December. Meetings will be scheduled at two monthly intervals thereafter, whilst unallocated funding remains. Deadlines for submission for panels will be publicised via the Future Solent website: www.futuresolent.org.uk

4. Evaluation of Applications

All Green Growth R&D grants will be awarded on a competitive basis. Only the best bids will be successful. The following key measures will be used to assess bids against each other.

- Quality of the Business Proposal
- Fit with the strategic intentions of the Low-Carbon agenda of the programme
- Potential for impact on local economy
- Creation of sustainable private sector jobs
- Value of private sector leverage

Final decisions on the bids to be supported through the programme will be made by the Future Solent Board. More details on the Board membership can be found by following this link <http://www.futuresolent.org.uk/about-us/>



4.1 Membership of the EOI Scrutiny Panel

Panel Members are as follows:

Alistair McDermott	Director of Knowledge Services, University of Portsmouth
Sarah Duckering	Head of Business Engagement, University of Portsmouth
Don Spalinger	Director of Research and Innovation Services, University of Southampton
David Bream	SETSquared Director, University of Southampton
Peter Birkett	Chief Executive, Southampton Science Park
TBC	Southampton Solent University
TBC	Accountable Body Representative
TBC	Programme Manager, Solent Green Growth Programme

4.2 Membership of the Investment Panel

Jan Ward - Jan has been an active member of the business community in Southampton and has been a Director of the Southampton Chamber of Commerce for over 20 years and is a Past President. Jan is CEO and founder of Corrotherm International Ltd which supplies equipment the oil gas industry. Jan is a Non Executive Director of a number of companies in sectors covering marine equipment manufacturing and waste to energy process development and is a mentor to small businesses. Jan enjoys watercolour painting, collects books, and loves opera and the theatre.

Steve Barber - Steve is an experienced CEO in the data storage technology sector with specific experience as an OEM technology provider to the world's leading IT companies. Led Xyratex's IPO on Nasdaq in 2004 (XRTX), growing revenues from \$400 million to >\$1.6 billion within 7 years. Established Xyratex as the largest OEM data storage systems provider, largest independent capital equipment provider to the disk drive sector and a technology leader in the High Performance Computing data storage market.

Graham Harrison - Graham is SETSquared Partnership Director. He has worked in a number of senior roles within the public and private sectors. After graduating with a Business degree from the University of Aston, he worked and travelled for almost two years which prepared him for a job with the world's largest manufacturer of banknote paper. The sales, marketing and new-business development roles undertaken involved travelling to over sixty countries and a period living in America. This was followed by his appointment as Sales Director for a business unit of Mead - one of the world's largest paper companies - which involved working with companies such as General Motors, Ford and other industrial OEMs.



Graham has represented the Regional Development Agencies on Ministerial groups responsible for aerospace, marine and defence issues and has recently been involved in the process of working with the seven major development centres which together form the High Value Manufacturing Technology Innovation Centre – one of the Government’s flagship initiatives which seeks to re-balance the economy.

Malcolm Varnham – Vice President IP, SPI Lasers

Representative from IBM covering Smart Planet - TBC

Representative from Lloyds Register - TBC

Don Spalinger - Don is the Director for Research and Innovation Services at the University of Southampton. Don has had a ten year relationship with the University of Southampton, beginning with his licensing of University technology in the formation of Southampton Photonics, Inc. (SPI), SPI’s funding of on-going research programs, and its leveraging of University technology to become a world leader in fibre lasers. In 2000, he was a driving force in the founding of SPI, leading the team in defining the company and its products, hiring the senior management and technical team, and raising over \$50 million in first round venture capital. Prior to SPI, Don founded four other high tech companies: On-Stream Networking (acquired by 3Com for broadband access), Connexus (in a joint venture with Toshiba to form SpanWorks), Optical Networking Inc. (one of the first wireless LANs), and Kylex (pioneered large area, flat panel, display technology). Don has held senior management positions at The Gartner Group, DSC Communications, Racal, and Exxon. Don graduated from the University of Texas, Phi Beta Kappa in Physics and has an MBA in Technical Management also from the University of Texas.

Alistair McDermott - Alistair has been the Director of Innovation Services at the University of Portsmouth for last 12 months. He has extensive experience of the academic industry interface with roles at Sheffield Hallam University, increasing their research income, and at Imperial College where he was the Director of Operations at Imperial Consultants, the gateway to the academic expertise of Imperial College and the largest academic consultancy in the UK. Alistair has developed and managed funding programmes for the UK Research Councils most recently being responsible for the managing the development of national and international large scientific facilities and delivering the national science and innovation campuses. He has a PhD in Biomedical Materials from the University of Sheffield and an MBA from the Open University

Jimmy Chestnutt – Hampshire Chamber of Commerce

Representative of Accountable Body - TBC

Secretariat provided by: Project Management Team



5. Account Management

Successful applicants will be made a conditional offer once a full proposal has been recommended for grant funding by the Investment Panel and endorsed by the Future Solent Board and Accountable Body.

The Programme Manager will ensure that due diligence is completed on the bid before applicants are provided with final notification that their bid has been successful. Applicants will also be required to comply with the quarterly monitoring process established by the Programme Manager. Each project will also be assigned a contact at the University for advice and support if required.

Payments will be made quarterly to an agreed funding profile. Up to 85% of any grant awarded to successful applicants may be claimed and paid on a quarterly basis. This claim must be accompanied with a monitoring report. The monitoring report will ask beneficiaries to give a short description of progress made against the original project plan. The Programme Manager retains the right to request that claims are verified by a qualified accountant independent of the beneficiary business, the project and its promoters, on an annual basis.

For all the successful applicants, the final 15% of their grant will be withheld and be payable on their production of a final report and an independent accountants report.

6. Contact Details

Full details on the scheme, including application forms and deadlines for the Investment Panels can be found on the Future Solent website <http://www.futuresolent.org.uk/>

Contact details:

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