



## **Advantage Niche Vehicle CR&D Programme**

### **Project Structure & Participant Guidance**

The programme provides a platform for collaborative research and development activity in the UK niche vehicle sector. It is funded by Advantage West Midlands & the Technology Strategy Board, and delivered by CENEX with support from the Niche Vehicle Network and Coventry University.

It brings together independent vehicle manufacturers, system suppliers, specialist automotive technology companies and Universities, to promote innovative exploitation of key niche vehicle technologies and developing more successful routes to market.

The project will last until April 2011 and during that time it is envisaged that 15 to 20 projects will be undertaken. Each project will be undertaken by a group of organisations (partners) as appropriate. Each project within the programme will have a **minimum of 3 collaborators** (at least 2 industry partners and at least 1 research/development partner), including Coventry University where appropriate.

All projects will aim to support the growth and competitiveness of the independent niche vehicle sector. The programme will therefore focus on technologies applicable to low-volume production.

All projects will be subject to assessment and approval by the Niche Vehicle Assessment Panel and 2 nominated independent TSB assessors. Subject to availability of funds, all projects which are of a satisfactory standard in meeting the criteria will be approved.

## Table of Contents

1. Introduction .....	3
2. Technology Themes .....	4
3. Grant Funding Levels.....	4
4. Lead Partners .....	5
5. Intellectual Property Rights (IPR).....	5
6. Project Duration.....	5
7. Project Outputs.....	6
8. Project Eligibility.....	6
9. Bid Submission Timing .....	6
10. Tips on completing the Bid Application Form in MS WORD .....	7
11. Tips on completing the Annex A Project Plan/Financials Form in MS EXCEL. ....	7
12. Financial Details – Project Costs – Annex A .....	7
Annex A. Labour Costs .....	8
Annex A. Overhead costs .....	8
Annex A. Materials consumed .....	8
Annex A. Capital Equipment .....	8
Annex A. Subcontracts; Consultancy; Fees including fees for Trials & Testing .....	9
Annex A. Travel and Subsistence (T&S) .....	9
Annex A. Project Management.....	9
Annex A. Software.....	9
Annex A. Other costs.....	10
Annex A. Ineligible Project Costs .....	10

## **1. Introduction**

Projects should align to **one or more** of the following themes:

### **Improved Fuel Efficiency & Carbon Reduction**

- Electric vehicle development
- Hybrid vehicle development
- Use of alternative fuels
- Reduced emissions from petrol engines
- Aerodynamics development

### **Weight Reduction & Recyclability**

- Aluminium vehicle/chassis structures
- Plastic & composite body panels
- Interior plastics

Other projects which support the core objectives of the programme may also be considered. In particular, there will be a working group focussing on '**Market Penetration**'. This will cover areas such as export opportunities, sales growth in niche sectors, and type-approval requirements for different markets.

### **Before applying please note the following important points.**

- The maximum grant per project: £100k
- The minimum grant per project: £50k
- The maximum grant permissible per participant: 50% of project grant
- The minimum grant permissible per participant: 10% of project grant
- The minimum number of partners per project: 3
- Demonstration Call 2011 Project Duration - 3 to 6 months
- CR&D must be undertaken in the UK
- Consortium must include a niche vehicle manufacturer

## **2. Technology Themes**

The R&D activities undertaken within the programme will be categorised according to the established European Union conventions which govern public funding ('state aid'):

**Fundamental Research** means experimental/theoretical work without any direct practical application in view. In the context of this programme, this includes academic and desk-top research undertaken by CENEX and/or Coventry University to support the broad programme objectives.

**Industrial Research** means R&D aimed at acquiring new knowledge/skills for product/process/service development and improvement. It includes technology demonstration/validation but excludes the building of commercially useable prototypes.

**Experimental Development** means acquiring/applying knowledge/skills for designing/developing new/improved products/processes/services, including producing prototypes.

Each individual project will normally be identified as falling into one of the above categories.

## **3. Grant Funding Levels**

The funding of the programme has been configured to fall within the aid intensity ceilings defined in the European framework. The basic intensity levels are defined according to the above categories (and reflect the premise that the closer the project is to the market, the lower the allowable aid intensity rate):

- **50% for industrial research**
- **25% for experimental development**

**The majority of projects will be 'industrial research' and can apply for funding of up to 50% of eligible costs.**

Maximum Funding: There is no upper limit but **any project requiring support at a level of more than £100k would normally be phased over 2 or more calls.** Approval of any subsequent phases may be dependent upon the success of the previous phase. Projects requiring grant support under £10k should be referred to the Programme Office at [nvn@cenex.co.uk](mailto:nvn@cenex.co.uk)

## **4. Lead Partners**

Each project will have a lead partner, who will submit the bid and manage the project. Normally, this will be a niche vehicle manufacturer and micro companies are precluded from becoming a lead partner.

First tier suppliers may lead projects based around their particular specialist area where there is the active involvement of relevant vehicle manufacturers.

The lead partner will choose the other project partners. Partners are organisations that form a consortium to work together on a specific project within the programme. Consideration should be given to what capabilities are required to deliver the project and also potential routes to market for the technologies developed or applied within the project.

Special arrangements may apply to partners from outside the West Midlands region. Specific cases will be considered based on their circumstances and every effort made to promote their participation.

The lead partner is also responsible for preparing the funding application, with support available through the Programme Facilitator.

## **5. Intellectual Property Rights (IPR)**

IPR resulting from projects can be managed in several ways. Any developed IPR will normally be accessible to all project partners on an ongoing, shared basis.

Knowledge gained during the project (with the exception of IPR and commercially sensitive information) may be suitable for wider dissemination, subject to the agreement of the partners. This dissemination is the responsibility of CENEX. Please note that IPR management must be specified if not Lambert Agreement

## **6. Project Duration**

Project duration will normally be up to 12 months. Projects greater than 12 months duration should consider using separate phases of up to 12 months each. Again, approval of any subsequent phases may be dependent upon the success of the previous phase. **\*For the demonstration phase of our project, projects duration will be 6 months maximum.**

## **7. Project Outputs**

In addition to a set of technical and business objectives, the economic ‘outputs’ from each project will need to be developed in advance of the project. These include:

- **Existing jobs** - safeguarded as a result of project activity for 12 months.
- **New jobs** - created as a result of the project and lasting at least 12 months.
- **Businesses** - created as a result of the project and demonstrating growth in 12 months.

This is a complex area – CENEX will provide support to aid the understanding of participating companies. The funding from Advantage West Midlands is contingent upon certain ‘output’ levels being achieved across the programme as a whole and project outputs will form part of the approval criteria for each project, based on the level of funding required.

## **8. Project Eligibility**

To be eligible for funding each project must;

- **address one of the Programme’s technology themes**
- **be based on research and development to be conducted in the UK**
- **involve two or more niche industry partners located in the UK**
- **be industry-driven and demonstrate a significant degree of niche industry participation and commitment**
- **In addition, each project must be able to demonstrate how funding from the Programme will add value**

## **9. Bid Submission Timing**

It is a ‘rolling programme’ with applications considered in ‘calls’ every 3 months. The bid submission deadlines throughout the programme has been as follows:

- **31 January 2009**
- **30 April 2009**
- **31 July 2009**
- **31 October 2009**
- **31 January 2010**

The next call for funding opens April 2011 with a bid submission deadline of **31st May 2011**

## 10. Tips on completing the Bid Application Form in MS WORD

Due to the restrictions on editing the document, **you cannot spell check** the text within the grey areas used for applicant's entries. If you require spell checker, we advise all applicants to prepare their responses on a new WORD document, spell check and then cut and paste the text into the application form.

You can send in as many drafts of the bid as you like during the development phase but please note your final submission should be in **PDF** only.

If you have any problems with the application form in WORD or require further help or support please contact the Programme Manager at [nvn@cenex.co.uk](mailto:nvn@cenex.co.uk)

## 11. Tips on completing the Annex A Project Plan/Financials Form in MS EXCEL.

If your project plan has been prepared in Microsoft Projects or any other programme, you may cut and paste the plan onto Page 1 of the Excel spreadsheet (if you wish to submit the Project Plan as a separate document please submit in PDF only). Please ensure you **complete all 9 worksheets** (if applicable). See below for guidance on project costs and financials.

Many of the excel sheets have formulas which calculate amounts/totals on your behalf but all can be edited and reformulated if you wish. If you have any questions or require further support please contact the Programme Manager at [nvn@cenex.co.uk](mailto:nvn@cenex.co.uk)

## 12. Financial Details – Project Costs – Annex A

All projects will need to calculate the costs of undertaking the project, taking into account which costs are **eligible for grant support**. The text below gives guidance on what elements are eligible for support and what is excluded. This applies to all industry partners.

Special rules apply to Universities and certain type of research organisations. For further details contact the Programme Manager at [nvn@cenex.co.uk](mailto:nvn@cenex.co.uk)

The cost estimate must include the costs of the total project, i.e. all parties/partners involved in the project. Programme funds will be paid out on the basis of audited actual eligible costs incurred. The following headings show the main costs that the Programme is prepared to support.

## **Annex A. Labour Costs**

The costs of personnel working directly on the project based on total man-days effort and associated cost required for staff to work on the project. Labour cost is based on gross salary, which can include employers' contributions to pension, NI and other package costs.

The cost is calculated on number of man days allocated to the project and the number of working days in a year (365) excluding sickness, weekends and holidays. Reasonable overheads can be included, see below.

## **Annex A. Overhead costs**

Each industry partner must specify its overhead rate applicable to the project and agreed with the programme facilitator prior to submission. Note that if you quote previously agreed overhead rates, you must still describe the methodology and include references to the previous project(s).

## **Annex A. Materials consumed**

These will be the materials to be consumed on the project, purchased from third parties. Material supplied by subsidiaries or associated companies should exclude the profit element of the value placed on that material. Do not include any materials included in overheads, see above. Waste/scrap material with a residual/resale value should be reflected in the figures. Foreseen cost increases, such as on specific materials may be considered.

## **Annex A. Capital Equipment**

Provide details of any capital equipment/tools to be bought/consumed on the project. Give the purchase cost (or value at project start if you already own the equipment), its expected residual value at the end of the project and utilisation percentage within the project (if it is also to be used on other projects).

## **Annex A. Subcontracts; Consultancy; Fees including fees for Trials & Testing**

You should show any work that is essential to the success of the project where the expertise does not exist in the collaborative group. It may not be cost effective to develop in house skills of this individual project.

The same rules governing the use of subsidiaries and associated companies with regard to supply of materials apply here.

Attention will be paid to the size of this contribution when assessing its eligibility and level of support.

## **Annex A. Travel and Subsistence (T&S)**

You should only include reasonable costs that are justified and will be incurred exclusively for progressing the project. If any general travel and subsistence is included in your overhead calculations, this proportion should be subtracted from the T&S expenditure during the claims process.

## **Annex A. Project Management**

The costs of project management by a 'lead organisation' on behalf of the consortium are eligible and should be included in labour totals.

In cases where the lead organisation prefers Coventry University to undertake this activity, costs will be provided.

## **Annex A. Software**

The provision of software licenses by members of the project consortium must only reflect the true costs of supplying that software to the project and not the commercial rate, the inclusion of any profit element or amortisation of previous development costs.

The preparation of disks, manuals, installation, customisation and training may be eligible.

## **Annex A. Other costs**

Other costs should include costs not accounted for in the above sections. Some examples follow. You should ensure that a case is made for the other costs within your Bid Application Form.

- Training costs which are specific to and essential for the project (if not provided by Coventry University, explain why)
- Management training specific to the project.
- Report writing, where the main objective of a project is the support of standards or technology transfer.
- The Programme may support some of the costs of protecting foreground IPR for SMEs up to a total of £5,000 per partner.

## **Annex A. Ineligible Project Costs**

The following costs are ineligible and should be excluded from any part of the project costs and any overhead calculations.

- Input VAT
- Interest charges, bad debts, profits, advertising, entertaining.
- Hire purchase interest and any associated service charges
- Advertising and marketing costs/activities
- Profit earned by a subsidiary or by an associate undertaking work subcontracted out under the project.
- Inflation and contingency allowances (as an overall arbitrary percentage) additional to eligible costs – however reasonable inflation rates can be included in labour and material cost estimates.
- The value of existing assets such as IPR, data, software programmes and other exploitable assets that any of the collaborators contribute towards the project.
- Project audit/legal fees – the legal costs of setting up the project or the collaboration and costs associated with conducting audits or making grant claims are ineligible.