

# Niche Vehicle Feasibility Study Competition 2020

## Participant Guidance Notes

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## Overview

Sponsored by the Office for Low Emission Vehicles (OLEV), the Niche Vehicle Feasibility Competition is providing SMEs and micro companies active in the low-carbon niche vehicle technology sector with grant funding of up to £35,000 to undertake desktop research activities aimed at catalysing innovative vehicle technologies applicable to road-going and off-highway vehicles, within the following:

### Competition Technology Themes

- Lightweight vehicle body, chassis and powertrain structures
- Electric machines and power electronics
- Energy storage and energy management systems
- Alternative propulsion systems
- Aerodynamics for improved energy efficiency
- Other disruptive low carbon vehicle technologies

Eligible projects under this competition are NOT required to be collaborative.

All projects must aim to support the growth and competitiveness of the UK low carbon niche vehicle technology sector. A niche vehicle manufacturer is defined as an independent UK based vehicle manufacturer producing less than 10,000 vehicles per year.

## Application Guidance

The application consists of 5 questions, and all questions carry equal weighting

Please make sure you upload a financial summary for your project. You can download a template for this from within your application.

Optional fields:

- Previous funding projects you have been a part of
- You can provide a 1-page (maximum) PDF of any Technical Illustrations. This can include CAD, photographs, schematics or technical data which help to illustrate what you are developing and how it will be configured

## Eligible Vehicle Types

The following vehicle types are in scope for this competition:

- E-Bikes, e-trikes, including electrically assisted pedal powered
- Motorcycles, quads
- Lightweight delivery vehicles
- Passenger cars & 3-wheelers
- Taxis, hearses, ambulances, specialist conversions
- Buses, coaches and HGVs
- Off-highway, tractors & construction vehicles

## Competition Scope Exclusions

The following vehicles and technologies are NOT in scope and therefore ineligible for this competition:

- Dedicated motorsport & race vehicles
- Driverless vehicles & PODs
- Marine, Rail, Aerospace & Drones
- Off-board EV charging systems
- Dedicated internal combustion engine (ICE) development
- Conversion of ICE to run on alternative fuels
- Fuels or lubricants development

## Funding Eligibility

Please make sure that your project meets this competitions eligibility criteria:

- Only 1 application per company is permissible
- The applicant must be a UK SME or micro business (limited company)
- The applicant must submit the bid and manage the project
- Projects must be business-led, and within the technology scope for the competition
- Projects must be undertaken solely by the applicant (and any named subcontractors)
- All work within the project must be undertaken in the UK
- Projects need to have a focus on the UK niche vehicle sector
- Projects must be deliverable within a 3-month period & completed by 31st March 2021

Applicants must also be able to pass an ‘undertaking in difficulty’ (UiD) test. Further information around the definition of an ‘undertaking in difficulty’ can be found here: <https://www.gov.uk/guidance/innovation-apply-for-a-funding-award#undertakings-in-difficulty--eu-definition>.

It is strongly advised that applicants conduct their own UiD test prior to applying for funding.

## Funding Metrics

Eligible costs include labour, overheads (capped at 20% of labour costs), materials, subcontracting (capped at 40% of overall project costs), consumables

All eligible expenditure must be defrayed within Fiscal Year 2020-2021

- Maximum total project costs: £50,000
- Maximum total project grant: £35,000
- Maximum project grant intervention rate: 70%

Claims are paid in arrears following successful completion of the project.

*The competition is open from 9<sup>th</sup> September to 9<sup>th</sup> October 2020.*

*It is essential that all applicants read this entire document before applying.*

## Competition Timelines

Competition Opens	09/10/2020
Bid Submission Deadline	09/10/2020
Winners Informed	09/11/2020
Project Contracting Starts	09/11/2020
Project Contracting Ends	18/12/2020
Project Starts	01/01/2021
Project Completes	31/03/2021
Final Report Submission	02/04/2021

## State Aid Compliance

The funding of the Competition has been configured to fall within the aid intensity ceilings defined in the European framework. The basic intensity levels are defined according to the applicable research category (and reflect the premise that the closer the project is to the market, the lower the allowable aid intensity rate). The Research and Development activities undertaken within the programme are categorised according to the established European Union conventions which govern public funding ('state aid') as outlined below:

*“Industrial Research means Research and Development 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.”*

To be eligible, proposed projects must fall into the above 'Industrial Research' category.

### Company Size Definitions

The Network uses the following company definitions, which are based on EU recommendation 2003/361.

Company Size	Headcount	Turnover	Balance Sheet Total
Medium	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m
Micro	< 5	≤ € 2 m	≤ € 2 m

## The Independent Assessment Process

Once the competition submission deadline has passed, all submitted applications are subject to independent assessment. Each application is assessed by up to five Assessors based on the materials submitted. Each Assessor will complete and submit a scoresheet for each assigned application and to identify any areas of potential non-compliance. A table is compiled to identify the ranked order of all written applications.

Where appropriate, the final recommended list of applications is presented to a Funder's Panel to obtain final approval. Whilst the Network engages the Assessors to act on its behalf, it retains the right to determine whether a proposal satisfies the eligibility criteria. The Network and its funders also reserve the right to apply a 'portfolio' approach to ensure the balance of funding across the various technology areas and competition streams, subject to projects meeting the required quality criteria.

### Notification of Outcomes

The applicant will be informed of the outcome from the assessment process by email. The feedback provided by the Assessors noted on the score sheets forms the official feedback provided to you. This will happen approximately 4 weeks after you have been notified of the decision. Beyond this, no additional feedback can be provided.

### Confidentiality

These individuals are selected from a pool of independent niche vehicle sector industry experts and are assigned based on their knowledge, skills, experience and the requirements of the competition. All Assessors are required to sign a confidentiality agreement and to declare any conflicts of interest.

They are required to treat all applications in the strictest of confidence and to apply due Information Protection rules. We engage Assessors as individuals, not as representatives of their employment. Assessors are precluded from seeking other opinions on applications and from offering their opinion to other Assessors prior to submission of their completed assessments.

We strive to preserve the anonymity of the Assessors and their names will not be provided to applicants under the Freedom of Information Act 2000. All assessment scoring will remain confidential and will not be available to anyone other than the Assessment Panel, NVN management and the Network funders. Any applicant found corresponding with either the Assessors or the Assessment Panel members in relation to their bid may be disqualified from the competition.

## Publicity and Dissemination

The NVN and its funders actively engage with appropriate media to publicise the results of its competitions and the specific projects it has funded. Prior to project completion, this is achieved using the 'Project Snapshot' (provided by applicants as part of the bid) as the source of project information.

When projects have completed, the Niche Vehicle Network and its funders may require the outcomes of funded R&D projects to be made available for wider dissemination at suitable events such as the annual Niche Vehicle Symposium and the Cenex LCV Show.

It is recognised that the display of hardware and other project outputs may need to be subject to timing constraints, based on the commercial sensitivities of revealing and introducing new products into the market. If there are any such issues relating to your project, these must be stated explicitly in response to Q4 of the application.

## Completing the Application Form

The Application Form, accessed online via the NVN Funding Gateway, contains specific sections that should be completed. It is important that you complete each section and present a fully completed Application Form. Incomplete Application Forms will be rejected.

**You must only use the Application Form provided.**

The Application Form contains the following:

- Project Snapshot
- Q1 – Technical Objective
- Q2 – Commercial Objective
- Q3 – Work Plan
- Q4 – Outcomes & Next Steps
- Q5 – Added Value

It is important that you address and respond to each question clearly. To help you, a short explanation of what is required for each question is provided in the application form. This is not intended to be exhaustive; you should develop your own responses based on your own skills, knowledge and experience.

The word count provided for each answer is fixed. Any text over the word count will not be assessed. It is important to consider the word count provided to enable you to give sufficient and relevant information for each question.

Don't miss out vital information; the Assessors are not obliged to give you the benefit of the doubt, therefore fully utilise the available word count within the Application Form.

You can provide a 1-page (maximum) PDF of any Technical Illustrations. This can include CAD, photographs, schematics or technical data which help to illustrate what you are developing and how it will be configured.

If you have any problems with the Application Form or require further help or support, please contact the Competition Management Team at [nvn@cenex.co.uk](mailto:nvn@cenex.co.uk)

### **Project Snapshot**

The Network publicises the results of all Competition calls on its website and other media channels (e.g. Twitter, LinkedIn, engagement with the printed media) using the Project Snapshot as the source of material. Please provide a short public facing description of your project.

This section is mandatory but is not scored.

## Annex – Project Finances

Please ensure you complete all relevant worksheets.

### Project Details

Please enter your project name in the relevant box.

### Project Costs

All projects are required to calculate the total costs of undertaking the proposed project, taking account of those costs that are eligible for grant funding.

The sections below provide guidance on which costs are eligible for support and what is excluded.

#### Labour Costs

The costs of personnel working directly on the project is calculated based on the total man-days effort and associated cost required for staff to manage and work on the project. The labour cost is based on gross salary, which can include employers' contributions to pension, National Insurance 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 (excluding sickness, weekends and holidays).

#### Travel and Subsistence

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.

#### Software

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

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

#### Capital Equipment

You should provide relevant details of any capital equipment/ tools to be bought/ consumed on the project. This should include 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 activities or projects).

**NOTE: Eligible capital costs must not exceed 10% of TOTAL project costs.**

#### Materials

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. Waste/ scrap material with a residual/ resale value should be reflected in the figures where applicable. Foreseen cost increases, such as on specific materials, may be considered.

## Subcontracts (Including Consultancy and External Test Costs)

You should provide the costs of all work that is essential to the success of the project where the expertise does not exist within the applicant organisation. Such costs may include protecting foreground IPR, up to a total of **£5,000** per project.

Subcontracted services to subsidiaries or associated companies should exclude the profit element of the value placed on that service.

**NOTE: Eligible subcontracts costs must not exceed 40% of TOTAL project costs.**

## Overhead Costs

Reasonable overheads, e.g. utility costs, can be included within your project costs, up to a maximum recovery rate of **20%**. This figure is self-calculated in the 'Project Budget' worksheet. If a lower recovery rate than 20% is applicable, the formula will need to be changed within the worksheet. If specifically requested, as part of our 'due diligence' process, a suitable overhead calculation sheet must also be provided to justify the percentage selected.

## Project Budget

The 'Project Budget' worksheet pulls together all the above calculated costs to allow you to assess the overall costs associated with your project.

The worksheet will self-calculate and highlight whether any costs exceed the stipulated guidance figures. Any 'Over Budget' figures will need to be corrected prior to submission.

## 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 affiliated company 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 contributed towards the project
- Project audit/legal fees – the legal costs of setting up the project and costs associated with conducting audits or making grant claims are ineligible
- Royalties or payments to third parties associated with preparing project applications

## Questions

For any questions regarding the criteria of NVN's Feasibility Competition, please contact [nvn@cenex.co.uk](mailto:nvn@cenex.co.uk)

If you encounter any problems/issues when completing your application form, please contact [technical@mg.nichevehiclenetwork.co.uk](mailto:technical@mg.nichevehiclenetwork.co.uk)