Welsh SBRI Innovation Catalyst Programme (Call 2)
Guidance for Applicants

Expression of Interest

This is a guide to submitting an expression of interest for support and finance from the Welsh Small Business Research Initiative (SBRI) Innovation Catalyst Programme.

You should read these notes before starting your application to determine eligibility, and receive guidance on the information we need from you in order to assess your application.

Who can apply?

The Welsh SBRI Innovation Catalyst Programme is being run as a competitive call and is open to all Welsh Public Sector organisations.

Applications will be judged against the criteria listed within this document and successful applicants will be invited to submit a full SBRI challenge proposal.

Only public sector organisations successful at the EOI stage will be eligible to submit a full application for finance.

Businesses and academic institutions are not eligible to apply to the Catalyst Programme, however, they will be eligible to apply to the SBRI challenges that result from this process and are supported through the Catalyst Programme.

Non-Welsh public sector organisations are ineligible for funding but may be collaborative partners with Welsh public sector departments.

What is the Welsh SBRI Innovation Catalyst Programme?

The Department for Economy, Science and Transport’s SBRI Innovation Catalyst Programme is intended to drive participation in SBRI competitions by the public sector and businesses in Wales.

‘Innovation Wales’ identified the need for government itself to become more of a source of innovation, this Programme now in its second year is leading a drive across the Welsh Public Sector in innovative pre-commercial procurement.

This Programme introduces new opportunities for how the Welsh public sector engage with the business community. It intends to catalyse new technology development leading ultimately to the procurement of innovative solutions. A longer term aim is to
help deliver a culture change which improve supplier engagement through outcome-based specification.

A further aspiration of the Catalyst Programme is to help grow the Welsh R&D industry, increase commercialisation of new technologies and create jobs and wealth for Wales.

The competitive Welsh SBRI Catalyst Programme seeks to identify public sector problems and challenges with a view to supporting Welsh public sector competitions which drive innovation in the areas of:

- Life Sciences and Health
- Low Carbon, Energy and Environment
- Advanced Engineering and Materials
- ICT and the Digital Economy

For competitions, launching in late 2014 and running between 2015 and 2017, up to £3m is available from Welsh Government (Department for Economy, Science and Transport) and the Technology Strategy Board. Funding is available on a competitive basis to support Welsh public sector departments to run SBRI challenges.

The purpose of the EOI process is to identify potential Welsh SBRI challenges in order that the Welsh Government and Technology Strategy Board SBRI development team can assist Welsh public sector departments in the framing and roll out of SBRI challenges.

The challenge must be clearly owned by the public sector organisation and successful submissions must demonstrate sufficient and appropriate personnel resource allocation for its duration.

The Department for Economy, Science and Transport’s SBRI Innovation Catalyst Programme team will NOT be responsible for day to day management of successful challenges.

What is SBRI?
The Small Business Research Initiative (SBRI) is a mechanism which enables public sector bodies to connect with innovative ideas; and technology businesses to provide innovative solutions to specific public sector challenges and needs.

SBRI Overview https://sbri.innovateuk.org
Examples https://sbri.innovateuk.org/competitions

The Technology Strategy Board has championed SBRI in the UK since its launch in April 2009. 182 competitions have been run across the UK with over 40 different public sector organisations awarding more than £172m in contracts. This is similar to the SBIR scheme in the United States, which has been running successfully since 1982.

The public sector is able to find innovative solutions by reaching out to organisations

Key Dates
Submission deadline:  Noon 16th June ’14   Proposers Workshop: 15th July (if successful at EOI)
from different sectors including small and emerging businesses. New technical
solutions are created through accelerated technology development, whilst risk is
reduced through a phased development programme. SBRI also provides applicants
with a transparent, competitive and reliable source of early-stage funding.

SBRI competitions are open to all EU organisations that can demonstrate a route to
market for their solution. The SBRI scheme is particularly suited to small and
medium-sized business, as the contracts are of relatively low value and operate in
short timescales. Developments are 100% funded and focus on specific identified
needs, increasing the chance of exploitation. Suppliers for each project are selected
by an open competition process and retain the intellectual property generated from the
project, with certain rights of use retained by the contracting department.

SBRI stimulates the creation of innovative new products and services. Competitions
are demand driven and result in a fully funded development contract between the
company and the government department - it is not a government grant.

SBRI is a scheme that benefits both the ‘public body’ that is running the competition
and the businesses that have the opportunity of obtaining a development contract. It is
a fast track, simplified process that allows Government departments to engage with
businesses with which they might not normally work.

The Government department (or public sector body) acts as the intelligent lead
customer and is instrumental in helping the business develop its product or
technology.

It generally has a two-phased development approach that starts with initial feasibility
and then more detailed product development.

Phase one, Feasibility Studies typically last three to six months and are typically worth
£50k-£100k.

Phase two, Demonstrator projects last up to two years and are worth £250k-£1m.

It should result in a commercial product or service.

The intellectual property is retained by the company, with user rights exercised by the
department under a separate contract under fair and reasonable terms.

SBRI can be used to deliver a major improvement in meeting operational or policy
objectives.

Examples of previous Welsh SBRI Competitions

Betsi Cadwaladr University Health Board
http://www.wales.nhs.uk/sitesplus/861/page/70407

Abertawe Bro Morgannwg University Health Board
http://www.ehi2.swan.ac.uk/en/abmu-challenge.htm
Project Funding Amount & Duration

At the EOI stage detailed financial costings are not required, as applicants are not expected to have a detailed knowledge and understanding of the SBRI process.

We are expecting to support 2-3 SBRI Competitions, launching in late 2014/early 2015 and concluding by no later than 31st March 2017.

Applicants successful at the EOI stage will be invited to develop a full SBRI Competition proposal with guidance and support from the Welsh Government and TSB SBRI team.

The deadline for submission of the EOI is 12 noon on Monday 16th June ‘14

Following on from the EOI stage, it is recommended that all successful applicants attend the SBRI Competition Proposers Workshop in Cardiff on 15th July ‘14.

If successful applicants should note that they will be expected to part finance their SBRI competition. Grant awards of up to 80% of the total SBRI Competition prize fund is available through this Programme.

The Programme only provides finance towards the SBRI contract funding (i.e. the money that ultimately reaches the supplying business or other third party supplier organisation). Costs associated with the management and administration of the competition are not eligible through this programme.

Applicants successful at the second stage full application will be expected to enter a contract agreement with the Welsh Government.

Assessment process

The final decision on which projects are supported will be made by a Welsh Government and Technology Strategy Board funders panel. Where appropriate, you may be asked to provide further information or clarification on details contained within your application.

The SBRI team will carry out eligibility and verification checks prior to assessment.

All eligible applications will then be considered and scored by the assessment panel against criteria outlined on page 6, with the highest scoring projects being invited to submit a full application.
Applicants will be notified in writing as to the final decision of the assessment panel on 30th June 2014 unless further correspondence advises otherwise.

If approved to progress to full application, the full application will become the SBRI challenge project plan and will be the document upon which the funding agreement between the Welsh Ministers and the applicant is based.

**Assessment Criteria**
Expressions of Interest will be assessed and scored by a Welsh Government and Technology Strategy Board funders panel. Proposals which score highest and demonstrate greatest SBRI challenge potential will be invited to progress to full application.

Applications which do not score highly enough to progress to full application for this call, but show potential for future SBRI challenges may be offered alternative assistance in further developing their ideas.

Applicants are encouraged to explore other sources of collaborative funding for their competition and those that demonstrate greatest ownership and commitment will score more highly.

The assessment panel will be looking for well defined public sector problems and challenges which can clearly and concisely articulate:

1. Potential to benefit the Welsh citizens
2. A well thought through public sector problem or challenge which needs improving/solving.
3. Scope for innovation
4. Scope for broader market potential
5. Quality of Delivery plan.
6. Value for money
7. Commitment to ownership
8. Sustainability

Applicants must be able to demonstrate additionality – i.e. Government intervention is required as would not otherwise happen.

Challenges must fit within EU and SBRI pre-commercial procurement rules (see below*)

*(1) **The scope is R&D services only:** R&D can cover activities such as solution exploration and design, prototyping, up to the original development of a limited volume of first products or services in the form of a test series. "Original development of a first product or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the product or service is suitable for production or supply in quantity to acceptable quality standards". R&D does not include commercial development activities such as quantity production, supply to establish commercial viability or to recover R&D costs, integration, customisation, incremental adaptations and improvements to existing products or processes.
(2) **The application of risk-benefit sharing**: In pre-commercial procurement, the public purchaser does not reserve the R&D results exclusively for its own use: Public authorities and industry share risks and benefits of the R&D needed to develop new innovative solutions that outperform those available on the market.

(3) **A competitive procurement designed to exclude State aid**: Organising the risk-benefit sharing and the entire procurement process in a way that ensures maximum competition, transparency, openness, fairness and pricing at market conditions enables the public purchaser to identify the best possible solutions the market can offer.

**State Aid**
SBRI is the UK implementation of the EU Pre-Commercial Procurement framework which allows exemption from public procurement directives for the procurement of R&D services (see Art 16f of 2004/18/EC, Art 24e of 2004/17/EC).

SBRI is a tool that offers exemption from EU Procurement rules when procuring R&D services. Public Sector Organisations will be deemed to be those bodies in Wales which are spending public sector money and are subject to EU procurement rules.

If not then the body does not need an exemption in order to run an SBRI like competition as they are not spending public sector money. They may still participate in SBRI competitions funded by the public sector as a co-funder. Normally as a “junior partner”.

Responsibility resides with the Welsh Public Sector Organisation leading the challenge to ensure compliance with current state aid rules.

**Confidentiality**
Whilst the Welsh Government will take all reasonable steps to protect any information designated by you as confidential which is disclosed as part of an Application, it is important that you are aware of limitations placed by the Freedom of Information Act 2000 (the “Act”) on the Welsh Government’s ability to comply with your expectations of confidentiality. The Welsh Government can only preserve the confidentiality of your information in accordance with its obligations under the Act.

**Information Sharing**
If not successful in this funding, the Welsh Government may wish to offer the challenge out to the wider community and publicly invite innovative solutions to be proposed. The statement you provide in your answer to application **Question 3** which defines your problem space may be used for public dissemination (unless you indicate otherwise in your application). Any decision to progress will be entirely at your discretion. No other details from your application will be shared publically without your consent.

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**Key Dates**
**Submission deadline**: Noon 16th June ’14  
**Proposers Workshop**: 15th July (if successful at EOI)
What happens next - Timetable

The deadline for submission of Stage 1 EOI applications is **12noon on Monday 16th June 2014.**

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<tr>
<th>Briefing Events</th>
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<tr>
<td>6th May ‘14: Park Inn Hotel, Cardiff (0900 – 1230)</td>
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<td>8th May ‘14: Catrin Finch Centre, Glyndwr University, Wrexham (1300 – 1630)</td>
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<th>Expressions of Interest</th>
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<tr>
<td>Deadline for submission of EOIs</td>
<td>12 noon - Monday 16th June ‘14</td>
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<td>Applicants notified of decision</td>
<td>30th June ‘14</td>
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<th>Full Application (for shortlisted applicants only)</th>
<th>Stage 2</th>
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<tr>
<td>Proposers workshop</td>
<td>15th July ‘14</td>
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<td>Deadline for submission of full application</td>
<td>12 noon on Friday 26th September ‘14</td>
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<td>Applicant presentations to SBRI Panel</td>
<td>14th October ‘14</td>
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<td>Applicants notified of panel decision</td>
<td>17th October ‘14</td>
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<td>Applicants successful at Stage 2 to launch their SBRI competitions</td>
<td>Between 3rd November ‘14 - 2nd February ‘15</td>
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Stage 2 full application submissions will be by invitation only. Applicants successful at Stage 2 will be expected to launch their SBRI competitions between November 2014 and February 2015.

Welsh Government reserves the right to change submission and/or notification dates.

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<td>Applications may be submitted either in hard copy or via email. For all submissions, please ensure that you use the words ‘SBRI EOI Application (Call 2)’ in the email subject box. Email applications must be sent to <a href="mailto:innovation@wales.gsi.gov.uk">innovation@wales.gsi.gov.uk</a></td>
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Applications may be submitted in hard copy (address below). Applicants are advised to also send an email to innovation@wales.gsi.gov.uk requesting proof of receipt, as late or lost applications will not be accepted.

All application forms must be signed by authorised signatories. Electronic submissions containing scanned signatures are acceptable.

By post: SBRI EOI Application (Call 2), SBRI Team, Innovation, Department for Economy, Science and Transport Welsh Government, QED Centre, Main Avenue, Treforest Industrial Estate, Treforest, Pontypridd, CF37 5YR