The purpose of this document is to provide guidance to applicants completing an application for SMART Flexible Innovation Support Level 1 activities. The aim of this support is to allow you to undertake feasibility work to fill gaps in your knowledge and to develop a detailed Innovation plan.

1. **BUSINESS/ORGANISATION DETAILS**

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|  | **Guidance** |
| Business / Organisation Details | In this section, you will need to provide details of where your organisation is registered. This allows us to establish your presence in Wales and have clarity on the entity that is making the application.  Please provide details for a contact within your organisation who will be able to assist in resolving any queries around the application.  We ask for details of whether you are part of a group. This information allows us to understand the size of your organisation and how to apply UK subsidy rules, and the related % intervention rates, to support you in the most effective way possible. |

1. **INNOVATION**

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|  | **Guidance** |
| Title | Please include a short title which describes your innovation. |
|  | **Guidance** |
| The Innovation | Please describe the advancement, you are exploring, in your products, processes or services and the innovation step introduced that you are planning to develop and/or implemented in your organisation. (For example, confirmation that you are developing new or improved product, modifying your existing processes, or building capacity and capability to innovate further)  This gives you the opportunity to set out the underlying rationale, and the need for, the product, process and/or services that you are investigating.  This gives us an understanding of the advancement in these products, processes and/or services.  Consider the differences to the technologies or solutions that are currently in use. For this, you need to cover how any work commissioned by experts contributes to the advancement, and in the technology step that gives you. |

1. **ACTIVITIES**

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|  | **Guidance** |
| Challenges | Please provide a summary of the challenges you foresee, including gaps in knowledge you need to investigate in your feasibility study to complete your detailed Innovation Plan, associated risks and potential benefits to your organisation and Wales.  In this section we are looking for a clear description of what is within the scope of the activity. We need to understand how the outcomes from the activity will contribute to the development of your innovation plan.  This section provides the opportunity to show how the activity will impact on your business. This impact may be in terms of job creation, increased productivity, sales or building capability and capacity for innovation.  In terms of the benefits to Wales, consider the wider impact of the product or process developed and how its application could benefit Wales.  Benefits could include the creation of employment and development of a product or process that enhances the wellbeing of society by contributing to the Health & Wellbeing of the people of Wales, improvements to environmental processes and Technological advancement that connect communities.  Please provide details of the risks and challenges associated with the activity. This will help build a picture of the make-up of the activity and demonstrates that the innovation has been well planned. It is also an opportunity for our team to identify where we can add value in identifying further mitigation of these risks. |
|  | **Guidance** |
| Activity Plan and Resource Management | Outline the activities to be undertaken including tasks/work packages; resources and timescales for each (alternatively provide a detailed Gantt chart).  How will these be effectively managed to ensure successful delivery.  Describe the roles, skills, and experience of all the team members, describe the resources, equipment, facilities required for the activities and how they will be accessed.  To help us assess the likelihood of the activity being successfully delivered we need to understand how the activity will be managed.  Use this space to describe roles being carried out and the skills that will be utilised in the delivery of the activity. Detail relevant experience of all the team members as it relates to the nature of the activity.  You can also provide details of any equipment or facilities that are required to carry out the activity and how these will be obtained. |
|  | **Guidance** |
| Total Duration | Please enter, in months, how long the activities will take to complete. |

1. **FINANCIALS**

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|  | | **Guidance** |
| Proposed Expenditure | | Provide a summary of the expenditure you anticipate within this activity.  This section asks you to set out the costs associated with the planned activity. This initial summary of the costs involved will assist in monitoring the progress of the activity. |
|  | | **Guidance** |
| Breakdown and Justification of Costs | | Use this section to detail the costs against the summarised expenditure.  Please provide brief explanations as to how the budget figures for each category have been reached. It is your opportunity to illustrate that the requirements of the project have been fully considered and are realistic. |
|  | | **Guidance** |
| Staff Time | | Please use the table provided to detail the staff involved in delivering the activity. We ask for an annual gross salary and a % of their time spent on the activities detailed in the application. This will allow us to assess the staff time alongside the information provided in relation to the required resources.  **Note:** Staff time is the total of the direct gross salaries required to deliver the activities/projects. Employer NI and pension contributions are not an eligible staff expenditure, these are covered in the overhead allowance.  **Note:** Overheads - A flat rate of 45% of the direct staff gross salary costs can be used to calculate a figure for general overheads and to cover employer NI and pension contributions.  **Note:** Staff salaries in excess of £60k will be capped, as this has been determined to be a typical maximum salary for roles relevant to research, development and innovation activities. In exceptional circumstances higher rates will be considered, but these must be supported with robust evidence that a higher salary is justified. |
|  | | **Guidance** |
| Staff Expenses | | Travelling & subsistence related to the activity of the project is eligible for support. Travelling at a rate of 45p per mile or standard class public transport costs can be included. Any foreign travel related to the project would require prior approval. |
|  | | **Guidance** |
| Overheads | | This category can be used to cover indirect costs such as rent, electricity and water rates incurred by the organisation during the time you are involved in the activity. A simple calculation can be used to arrive at an eligible figure for overheads. This is 45% of the eligible direct staff gross salary costs identified for the activities. |
|  | | **Guidance** |
| Materials & Consumables | | You can receive support for the cost of consumables incurred specifically for the activity detailed in your application. These are typically items that will have no residual value at the end of the project.  You should only include details of the materials and consumables costs directly related to this activity. |
|  | | **Guidance** |
| Sub-Contract and Consultancy | | If you are bringing in external expertise as part of the activity, you can use this space to detail the rational and costs for this.  All applications need to be supported by an indicative pricing for all the goods/services within the scope of the application. This may be in the form of an estimate from the supplier or a published price list.  Whatever form the indicative pricing takes it should also carry enough technical detail to allow us to evaluate the value for money of the item and the suitability in line with the desired outcomes of your activity.  **Note:** sub-contract and consultancy daily rates more than £600 per day will be capped, as this has been determined to be a typical daily rate for third party services that are relevant to research, development and innovation activities. In exceptional circumstances higher rates will be considered, but these must be supported with robust evidence that a higher rate is justified. This evidence could be by the provision of at least 3 quotes or equivalent evidence of comparative costs. |
|  | | **Guidance** |
| Other Costs | | Identify any other expenditure directly related to the activity that you will incur that is not otherwise detailed. (For example, this could include secondment, etc).  You should use this space to cover off any costs that are incurred in the activity detailed in your application, that does not otherwise fit in any of the earlier expenditure categories. |
|  | **Guidance** | |
| Funding | Please detail how you will pay for the total cost of these activities.  The table needs to be completed to show the different sources of funding that the business will have in place to make payment for the total project (total project cost is used because the payment of the subsidised amount is made in arrears). In this section you are asked to evidence those sources of finance. This can be in the form of Bank statements, Loan agreements and Overdraft arrangements.  **Note:** Funding is only paid after submission of a valid claim which includes evidence that the total costs have been defrayed.  Please list the type/s of funding you have/will have in place to make full payment. (E.g. Internal cash reserve, directors’ loan, bank loan, overdraft).  Evidence: Please reference the documentary evidence you are supplying with your application to prove the business/organisation has the funding in place or agreed. | |

1. **OTHER PUBLIC SECTOR FUNDING**

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|  | **Guidance** |
| Other Public Sector Funding | Please detail all other public sector funding the business has been offered or received in the last 3 years. (Our Financial Support may be awarded as ‘Minimal Financial Assistance’ (MFA) which allows approximately £330,000 to a single business/organisation over the current and previous two fiscal years).  Please provide detail of any other public sector funding your business has been offered or received in the last 3 years. This will include amounts you have drawn down, but also any offers made that you have not taken up. |

1. **ADDITIONAL INFORMATION & SUPPORTING DOCUMENTS**

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|  | **Guidance** |
| Additional information | This section covers the required supporting paperwork that gives context to your application.  The checklist covers the paperwork that is required to be submitted by the organisation to support the application.  Unless otherwise stated, electronic copies are to be provided. |

1. **DECLARATIONS**

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|  | **Guidance** |
| Declarations | The application must be signed by an authorised signatory, director, or by the proprietor or a partner. The form can be submitted electronically.  The form must be signed (either with a digital signature or a scanned PDF) and submitted to the [SMART.FIS@gov.wales](mailto:SMART.FIS@gov.wales) mailbox, along with the supporting documents. |