

PROSPER



European Union
European Regional
Development Fund



PRoMoting SME Product Enhancement and Research

Overview

The project will use ERDF funding to assist SMEs to accelerate their development of new products, processes and services and to make it easier for them to work with UK research institutes. It is managed by The iNet, Loughborough University.

Businesses must be based in **Leicester & Leicestershire Local Enterprise Partnership area (LLEP)** and engaged in the general area of one of LLEP's priority sectors:

- Advanced manufacturing and engineering
- Creative Industries
- Food and drink manufacturing
- Life Sciences – Health and Medical Technologies
- Low carbon technologies
- Logistics and distribution
- Scientific and Technical Services
- Space and Space enabled Technologies
- Textile Manufacturing

The support includes a mixture of:

- **Financial Support:** part-funding (grant) towards external costs of innovation and product development projects
- **Non-financial support:** fully funded access to expertise at Loughborough University

The programme will operate from January 2020 through to December 2022.

Support Available

Companies must undergo a review with an iNet Advisor in order to establish eligibility and to discuss their research, innovation and development needs. During this meeting the company will be 'enrolled' on the programme. Once enrolled the company can access one or more of the following forms of support:

- **Up to 2 days support** comprising:
 - **1:1 mentoring to support your innovation journey**, including identifying opportunities for collaboration between SMEs & research institutes
 - **Facilitating relevant under/graduate placements**
 - **Information sourcing** carried out by a skilled researcher to support SME innovation plans. Topics could include:
 - relevant academic expertise
 - horizon scanning – opportunities, threats and Innovation
 - sustainability and associated business opportunities
 - finding opportunities in a new or current sector
 - relevant innovation exhibitions and events
 - relevant technology/knowledge publications
- **Access to Loughborough University academics for 5 days co-operation**, involving small-scale research and knowledge exchange
- **Part-funding towards external costs** relating to company-based innovation and new product development projects

The support provided constitutes either de minimis state aid or Article 28 State Aid. Appropriate application of these regulations will be discussed with an advisor.

Grant Funding

A key justification for PROSPER grant support is that the project is aiming to develop a new product or service. This includes process innovation if the process contributes to the development of a product or service.

Grant applications must show how the external costs are required for the development of a named product/service. You must own the rights to the product/service and not be something you are developing on behalf of a specific client.

Products or services are new if you do not already produce a product with the same functionality or the production technology is fundamentally different from the technology of already produced products.

The **type of activity that may be funded** is likely to involve some elements of:

- Developing new products and services and bringing these to market – e.g. design, prototyping, feasibility, proof-of-concept, certification, pilots/trials
- Adapting existing products, systems and processes for use in different applications – e.g. adapting marine vessel corrosion protection systems for use on off-shore structures
- Introducing/developing new processes or materials that lead to new or significantly enhanced products and services

Eligible forms of **Capital Expenditure** (items £5,000 and over) include:

- New production and prototyping equipment
- Laboratory and production/product testing and measurement equipment
- Large component parts of prototype

Eligible forms of **Revenue activities** include:

- Research, design and specialist test services
- IPR (Intellectual Property Rights) advice and support, including initial patent application and trademarking
- IT hardware and software for product development, design and testing and to support systems integration and process improvement (but not routine items such as accounting or sales systems)
- Small items of equipment (under £5,000)

Other **considerations**:

- **Only external costs for direct project activities are eligible**
- **Applications covering ONLY the purchase of capital equipment, without additional external development costs, are unlikely to be supported**
- **Funding is subject to availability and is paid at a rate of:**
 - **Up to 30% for eligible capital costs, up to a spend of £40,000 (i.e. maximum grant is 30% of £40,000)**
 - **Up to 31% for eligible revenue costs, up to a spend of £12,000 (i.e. maximum grant is 31% of £12,000)**
 - **There is no minimum spend**
- Projects are expected to be aiming to develop a new product or service
- SME contribution will be in cash – i.e. for external costs and expenditure made by the SME - not in kind

Process Outline

Suitable SME beneficiaries will be visited by an advisor who will enrol the company and undertake a review to determine the nature and type of support required. The advisor will support SMEs throughout the application and claims process.

Applicants do not need the support of external consultants to access support.

Applications will be reviewed against:

- Economic viability of the SME
- Strength of the business case
- The potential for introducing new or significantly improved product, process or service

SME beneficiaries must adhere to the ERDF compliant procurement regulations for purchasing goods, services and capital equipment and provide evidence to demonstrate this compliance with the application. We are not able to support any expenditure for orders which have already been placed prior to the offer of a grant.

Grant payments will be made upon completion of the project and provision of ERDF required documentation. Where the grant supports capital expenditure the SME will be required to maintain an asset register. SME beneficiaries will also be asked to sign output forms on the progress of the introduction of new products, processes or services and any new jobs created as a result of their project.