

Announcement of Opportunity

National Space Technology Programme (NSTP)
Grants for Exploratory Ideas (GEI)
Date 02 August 2019

The UK Space Agency (UKSA) invites proposals for space technology research and development projects to the National Space Technology Programme (NSTP) - Grants for Exploratory Ideas.

1. INTRODUCTION

This NSTP Call aims to develop the capability of the UK space sector by providing seed funding for early stage innovative ideas. Project proposals are sought for space technology research and development projects in areas including; early Technology Readiness Level (TRL) innovation; technology proof of concept; small technology developments; establishing new industrial research collaborations; market studies; or studies into spin in or out of technologies for space. Industrial co-funding may be required for the selected projects in accordance with the EU State Aid Regulations.

2. GRANTS FOR EXPLORATORY IDEAS

Grants for Exploratory Ideas (GEIs) are mini studies to support innovative space technology activities. They have a maximum grant value of £10k and will be of maximum 3 months duration. The UKSA would particularly like to encourage organisations (industry, academia and SMEs) new to space technology to participate in this Call.

Acceptable activities are:

- Early TRL innovation
- New technology concepts
- Knowledge transfer
- Skills development
- Refining an idea
- Undertaking a market survey
- Proof of concept (which could include proposals previously submitted for NSTP Pathfinder funding that were rejected on the basis that a proof of concept study was required)

In all cases it is essential that the project proposal shows how the grant will make a difference to UK space technology capability, in addition to their value to the bidder.

Out of scope activities include; funding of CASE students, training courses and outreach. Applicants should contact UKSA if they are unsure if an activity is likely to be within scope of the Call.

This Call is open to UK Higher Education Institutions, other research organisations, SMEs and industry. Industry-industry and industry-academia collaborations are encouraged and there is no restriction on which type of organisation can lead.

3. GUIDELINES FOR PREPARING AN APPLICATION

3.1 Overview

Please read the following guidelines carefully to ensure that your application includes all of the information required and in the required format.

Applications for project funding shall take the form of a proposal in single-spaced typescript (minimum font size 12-point Times New Roman, minimum 1.5 cm margins all round, including diagrams and tables) and must contain the following sections:

| Application Section | Description | Format | Maximum Page Count |
|------------------------------------|--|--|---|
| Cover letter | See 3.2 below | Single-spaced typescript | 1 |
| Application form | See 3.3 below and Template A | Template A must be used and submitted | 1 |
| Project summary | See 3.4 below and Template B | Template B must be used and submitted | 1 – plus additional diagram if required |
| Technical case | See 3.5 below and Template C | Template C must be used and submitted | 2 |
| Company or organisation background | See 3.6 below and Template D | Template D must be used and submitted | 1 |
| Eligibility information | See 3.7 below and Template E | Template E must be used and submitted by new entrants only. <i>Note: New entrant is defined as someone who has never received UKSA grant funding.</i> | 1 - plus any appended information |
| Financial Information | See 3.8 below and MS Excel spread sheet template | Excel spread sheet must be used and submitted | n/a |
| CVs | Brief CVs of key personnel | Single-spaced typescript | 1 per person |

- Where a Template is specified, this must be used and submitted.

- Should any Section be omitted or a Template altered, the proposal will be rejected.
- Should any part of the application overrun the specified page limit, we will only consider material up to the designated page limit that is in the correct format.

3.2 Cover Letter

To aid the placing of the grant agreement with successful bidders, the applications for funding must include a cover letter containing:

- A clear indication of the type of grant applied for i.e. Grant for Exploratory Ideas
- The State Aid Category (see Annex A), or that the grant will be applied for under the *de minimis* rules;
- A committing offer to UK Space Agency.
- A firm fixed price for the work to be carried out;
- A statement of acceptance of the standard UKSA Terms and Conditions (T&Cs). The T&Cs are contained in the Draft Contract document available as part of the GEI Call documentation. Note - any requested amendments to the contract document will be considered but may not be acceptable to UKSA.
- Industry bidders only: The name of at least one customer contact in the UK who may be approached, with whom you have recently undertaken similar work. The bids will be assessed by the Review Panel (see Section 5), but the UKSA reserves the right to seek a customer reference, to be considered by the Panel.

3.3 Application Form

The Application Form provides summarises key information concerning the project proposal submitted.

- **Information must be submitted using Template A.**

3.4 Project Summary

The project summary should be brief and contain no confidential or sensitive Intellectual Property (IP) material. A single diagram or picture may be included on an additional page in support of the project summary.

The intention is that, should the project be funded, this summary will be used for publication on the UK Space Agency websites and/or used in press releases.

- **Information must be submitted using Template B.**

3.5 Technical case

The technical case for the project should include:

- The project objective and success criteria.

- A description of the work to be undertaken, highlighting the innovative aspects of the project and the possible disruptive effects of the proposed work on the status quo.
- How the grant will make a difference to UK space technology capability, including the value to the bidder.
- For very new and unfamiliar concepts, you should also include references to any relevant - preferably peer-reviewed - publications.
- An outline project schedule

➤ **Information must be submitted using Template C.**

3.6 Company or organisation background

This section should include a short description of the background to the company or organisation and also include a summary of their track record(s).

➤ **Information must be submitted using Template D.**

3.7 Eligibility information

We welcome bids from a variety of organisations including academia, industry and (not for profit) government research institutes. The details of some organisations may not be known by UKSA, especially for newer entrants to the space technology sector. Such applicants should also provide brief and relevant company or organisation background information, including areas of expertise and company contact information including their registration and official address.

Following receipt of bids and before award of any contract, new entrants may be required to provide additional eligibility details:

- Evidence of company legitimacy and financial solvency, supported by e.g. company Annual Reports.
- Details of company quality processes and accreditation.
- Track record, supported by reputation or by statements from referees and customer testimonials.

For newly formed companies who do not have first year accounts then one or more of the following could be deemed as acceptable proof of eligibility:

- Reference from their bank – confirming capital solvency and appropriate management of finances etc.
- Industry/Trade reference from either customers or suppliers.
- Companies House Registration details

- **Information must be submitted using Template E.**

3.8 Financial Information

Please include financial information as follows (and see also Section 4):

- The completed Finance Table.
 - A justification of the resources requested, including travel plans and other expenditure.
 - A clear statement of the Private Venture (PV) investment offered, and its relationship to the State Aid mandatory limits under GBER exclusions (see below and Annex A).
- **Information must be submitted using the MS Excel spread sheet Template**

4. FINANCIAL AND CONTRACTUAL INFORMATION

4.1 Grant award

All applications for project funding will also be judged on the basis of value for money.

The award will be made on a firm fixed price basis.

Awards will take the form of a grant agreement between the UK Space Agency and the project's lead organisation. Bidders should note that the UKSA will not refund any costs associated with preparing proposals.

Bidders should note that grants cannot be given to companies or organisations in financial difficulties.

As part of the application for funding, applicants must review and accept the terms of the UK Space Agency's published grant agreement, Annex C. This will enable selected projects to start promptly after evaluation of proposals has been completed. Applicants wishing to request changes to the agreement are required to submit a marked-up document setting out the proposed variations, along with a justification for any amendment to the standard grant funding agreement terms.

4.2 Payment Plans

Project funding cannot be paid in advance of need; all payments will be made in arrears.

Payment will be made:

- In the form of one payment on successful completion of the project,
- OR -

- In the form of one payment on successful completion of an intermediate deliverable, together with a final payment on successful completion of the project.

4.3 State Aid

Industry is required to either provide a Private Venture (PV) contribution to eligible project costs in accordance with the guidance to the European State Aid General Block Exemption Regulations (GBER) or alternatively to claim exemption from having to make a contribute under the EU *de minimis* regulations.

For GBER, bidders must identify the category of work proposed, and this must be consistent with the work programme described in the technical case. Note that the type of activity and company size defines the maximum 'Intervention' rate (and hence the minimum required PV level) that is permitted for that activity (see Annex A), and that there are concessions for collaborative activities. Bidders will be expected to justify the category of work selected.

Bidders must ensure that they supply the correct information that allows UKSA to award grants within the scheme and it is the responsibility of the bidder to ensure compliance with the relevant State Aid legislation. Further guidance is available on the gov.uk website:

- <https://www.gov.uk/government/publications/state-aid-general-block-exemption-regulation>
- <https://www.gov.uk/state-aid#de-minimis-aid-regulations>

EC grants awarded on related projects or other public funding are not eligible as a PV contribution.

Academic partners and Government institutions will be funded in all cases at 80% of Full Economic Cost (FEC).

4.4 Treatment of VAT

NSTP grant funding is categorised as outside the scope of VAT. The supply of 'non-business' research is outside the scope of VAT which is defined by the intention of the parties at the beginning of a project – UKSA as the funder does not receive anything in return for the consideration paid (grant) e.g. services or transfer of IPR, therefore the grant is deemed as outside the scope of VAT.

Note: Provision of regular project update reports does not count as a benefit received by UKSA (i.e. they are merely used for monitoring purposes so that the Agency can ensure the terms and conditions of the grant are being met).

5. ASSESSMENT OF APPLICATIONS

Applications for project funding will be assessed by a Selection Panel, which will consist of independent UKSA approved reviewers drawn from academia, industry, Government or the Research Council Review Colleges. The panel will assess the proposals according to the criteria listed below, taking into account the commitment of the organisations involved, in

particular the lead organisation, to the success of the project and the financial viability of the organisations involved.

Assessment criteria: Grants for Exploratory Ideas

- **Relevance:** Applicability of the technology to space; degree to which this technology has the potential to be disruptive in the space field
- **Technological Innovation:** Novelty, originality, newness to space and suitability of the work proposed, including assessment of risk and benefits;
- **Benefit:** Potential applications and the benefits it offers over alternative technologies. Who and how will this technology benefit? How timely is this activity?
- **Quality of the proposal:** Capability and track record of the team, quality of staff, and value for money.
- **Strength of team(s)/ collaboration**

6. PROJECT MONITORING AND REPORTING

Following an award and completion of grant agreement formalities, the UKSA will assign a project coordinator to each GEI to oversee the projects with the following methodology:

- The coordinator will initiate each project by telephone conference.
- The grant holder will provide a mid-term progress report to the coordinator.
- At the end of the project, a final report and executive summary are to be provided to UKSA. The executive summary should not contain any confidential information, as this will be uploaded onto the UKSA website. All other reports should be marked commercial in confidence where applicable.

There may be a project final presentation day in which each of the project teams will be invited to present a summary of their work and achievements.

7. CONFIDENTIALITY

The procedure for handling and assessing the applications for project funding will be as follows:

- Completed applications will be submitted to the UKSA's NSTP Project Officer. The Project Officer will hold all bids in confidence and will not propagate the bids internally in the UKSA or elsewhere.
- Once the GEI Call closing date has passed, electronic copies of all documents will be distributed to the independent assessment panel members; UKSA confidentiality rules will apply.
- Information submitted for those projects not recommended by the Panel for funding will be destroyed.
- Information submitted for those projects selected for funding will be retained by UKSA but remain confidential.
- Summary information about projects selected for funding will be published on the UKSA web site.

UKSA will monitor the funded project through project reports. UKSA requests that any confidential information is clearly marked Commercial in Confidence.

8. SUBMISSION AND CONTACT INFORMATION

Only the lead company or organisation should submit an application. Applications for project funding should be submitted to the UK Space Agency as follows:

- **Electronically in a single file, in both PDF format and Microsoft Word/Excel format using templates as specified in Section 3.**
- Any information that bidders do not wish to be sent to the assessors (e.g. eligibility information) should be contained in a separate file, and clearly marked as such.

The electronic submission should be sent by email to the UK Space Agency National Space Technology Programme Project Officer at nstp@ukspaceagency.gov.uk

Any queries about this Call can be submitted to the above email address.

All applications must be submitted by 12 NOON, Monday 30 September 2019

It is the lead organisation's responsibility to ensure that all required information is complete and accurately submitted before the deadline. The decision of the UK Space Agency is final. Minimal feedback can be requested with no course for appeal.

Incomplete, late applications or altered templates will not be considered

ANNEX A - STATE AID INTERVENTION LEVELS

Bidders should ensure their proposal is compliant with the relevant State Aid legislation. European regulations allows State Aid to companies for technology R&D activities via the General Block Exemption Regulations (GBER), with intervention rates (i.e. maximum % grant offered) depending on the type of activity, the type of organisation, and the size of the company as follows:

- **'fundamental research'** means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view;
- **'industrial research'** means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation;
- **'experimental development'** means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services;

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements;

- **'feasibility study'** means the evaluation and analysis of the potential of a project, which aims at supporting the process of decision-making by objectively and rationally uncovering its strengths and weaknesses, opportunities and threats, as well as identifying the resources required to carry it through and ultimately its prospects for success;

Table 1: EC definition of the various company types

| Enterprise category | Headcount: Annual Work Unit (AWU) | Annual turnover | or ↔ | Annual balance sheet total |
|----------------------------|--|---|----------------|---|
| Medium-sized | < 250 | ≤ € 50 million (in 1996 € 40 million) | or ↔ | ≤ € 43 million (in 1996 € 27 million) |
| Small | < 50 | ≤ € 10 million (in 1996 € 7 million) | or ↔ | ≤ € 10 million (in 1996 € 5 million) |
| Micro | < 10 | ≤ € 2 million (Previously not defined) | or ↔ | ≤ € 2 million (previously not defined) |

Anything above the limits for a medium sized company is designated as a large company.

Academic partners will be funded in all cases at 80% of Full Economic Cost (FEC).

Table 2: GBER Definitions of State Aid Categories

This table summarises the GBER categories and maximum allowable intervention rates.

| State Aid Category | Intervention rate | | |
|---|--------------------------|-----------|-----------|
| | SME | ME | LE |
| Fundamental Research | 100% | 100% | 100% |
| Feasibility study | 70% | 60% | 50% |
| Industrial research | 70% | 60% | 50% |
| Industrial research projects involving collaboration/ dissemination | 80% | 75% | 65% |
| Experimental development | 45% | 35% | 25% |
| Experimental development projects involving collaboration/dissemination | 60% | 50% | 40% |

State Aid Category

Collaborations between businesses and research organisations where the research organisation bears at least 10% of the costs & have the right to publish their own research, or business to business collaborations which involve more than one member state of the EU/ EEA or involve at least one SME, provided that no one business partner carries more than 70% of the project costs. Procurement/supplier relationships do not qualify.

ANNEX B – Q&A

1. Can I resubmit a proposal that was rejected in a previous NSTP call?

Yes, you may re-submit your proposal which will then go through the independent evaluation process when being considered for funding. We recommend that any previous feedback is taken into consideration.

2. Do the PV funds have to be immediately available when applying for funding?

Yes, the PV funding must have been agreed and secured at the time of applying for the grant so that the project can commence as soon as the grant agreement has been completed.

3. Can the UK Space Agency provide advice about any type of collaboration/partnership programme that the Agency is promoting?

The Agency does not promote any particular collaboration although collaboration in essence is encouraged in projects.

4. Do you have any examples of successful projects in the previous rounds that you can share?

We cannot offer examples of successful proposal applications, but relevant information can be found in the Announcement of Opportunity guidance. We also offer successful news stories at our web page <https://www.gov.uk/guidance/apply-for-funding-through-the-national-space-technology-programme>

5. Can a non-UK based organisation receive funding?

The UK must lead the consortium. A non-UK based organisation cannot receive national funding as the primary focus of UK Space Agency is on the growth of the UK sector; therefore, any monies awarded cannot go outside the UK to a partner body. If the proposed non-UK capability is essential the work can be subcontracted out, however the proposal must demonstrate clearly that this resource is not available in the UK.

In such instances the subcontractor cannot be a partner to the project. However, if a non-UK entity wants to be a partner in the project that is acceptable. This can be facilitated by the non-UK entity organisation providing PV or capability as contribution-in-kind.

6. What format will the grant agreement take for any funded proposals, and can I adapt this to suit my proposal?

We have provided a copy of our standard grant funding agreement. This is the document that will be used as the formal mechanism for any successful bidders to receive grant funding. Applicants are required to accept the main terms of this grant funding agreement when submitting your application.

Applicants requesting changes to the agreement are required to submit a marked-up copy of the published grant funding agreement setting out the proposed variations, along with a justification for any amendment to the standard grant funding agreement terms. Please be aware that the UK Space Agency will only consider variations which are

requested where the Applicant would be in breach of legal requirements or statutory regulations by complying with the clause, or series of clauses.

7. Should we explicitly state the overhead rate attached to salary costs, or would you prefer it to be amalgamated into a combined salary/overhead cost for each staff position?

The finance template includes notes on what information is required.

8. What are the NSTP rules on overheads (i.e. a standard rate or calculation provided by us)?

Your normal company accounting procedures should be used; see also the finance template.

9. Do labour costs relate only to staff on a PAYE payroll or would staff employed on short/long-term fixed contracts be eligible?

Costs should be applied for any staff that will be part of the project team/work regardless of employment status within the organisation. However, any costs for project work done by sub-contractors must be declared as a separate cost to the project. Sub-contractors cannot be partners to the project and justification in the proposal would need to be clearly stated as to the requirement for use of sub-contractors.

10. What are the eligible equipment costs – is it the depreciation on any capital expense?

That depends on what you plan to do with the equipment post project. Below are the GBER rules on eligible costs.

GBER rules:

Eligible costs

Aid for R&D projects:

- (a) Personnel costs: researchers, technicians and other supporting staff to the extent employed on the project.
- (b) Costs of instruments and equipment to the extent and for the period used for the project. If such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of good accounting practice, are considered as eligible.
- (c) Costs of buildings and land, to the extent and for the period used for the project. Regarding buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of good accounting practice, are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible.
- (d) Cost of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project.
- (e) Additional overheads incurred directly as a result of the project.
- (f) Other operating expenses, including costs of materials, supplies and similar products.

11. Are referees required to be within the UK?

Referees do not have to be UK specific but must be from recognised international organisations and/or from other known space institutions.

12. Does the organisational background information apply only to the lead organisation?

No. All proposals must include organisational background information for all those involved, therefore including those put forward in collaboration.

13. Is there a difference between a partner and a sub-contractor?

Yes. If you are collaborating with another organisation or company, then they are your project partner and will be included in your proposal as subject to PV contribution. If you wish to sub-contract some work, then that company cannot be considered as a project partner as payment to them will be made from the award and they will therefore be included in the costs of the project.

14. Would sub-contractors have any IP publication rights?

If you sub-contract work this may not affect the IP publication rights of your company, but this is for the lead organisation to confirm.

15. Does the maximum grant award offered include the PV contribution?

The maximum grant is the award value the UK Space Agency will give to a successful proposal. However, GBER rules apply to industrial organisations (e.g. SME/LE) and FEC to not-for-profit organisations/academia. Therefore, your equivalent PV contribution must match that criterion.

16. Is an independent audit required of the total cost of the project?

Confirmation is required that the Grant Recipient has expended the sums in respect of the period in which milestone payments have been claimed. For this purpose, a report must be completed and sent to the Grant Funder by 1st May 2020 and annually thereafter.

ANNEX C – UKSA Published Grant Agreement



Annex C 2019
Template Grant Agre