

# Knowledge Transfer Network

## ISCF Industrial Decarbonisation Challenge: Roadmap & Deployment Competitions Common Questions & Answers (updated 19/11/2019)

The Q&As listed below form a summary put together by Knowledge Transfer Network. The questions were asked during the webinar briefings in October and November and the answers provided by UKRI during those webinars. They are provided for guidance only.

If you are considering applying under the [Roadmap](#) or [Deployment](#) Competitions and are new to Innovate UK Funding, then we would recommend that you review the [General Guidance for Applicants](#) and also the [Finance Form Guide](#).

If you would like any further assistance then please contact **Peter Clark (Lead for Industrial Decarbonisation Challenge @ KTN)** at [peter.clark@KTN-uk.org](mailto:peter.clark@KTN-uk.org).

If you have any further specific questions relating to project financing and eligible costs please contact the **UKRI Competitions Team** directly on [support@innovateuk.ukri.org](mailto:support@innovateuk.ukri.org).

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***Q: Is Northern Ireland included in the competition?***

A: Yes.

***Q: Is this £1 million per cluster, or 1 million overall?***

A: The £1m is a single pot of money intended to be spread across all of the projects - deployment projects and the roadmap projects - funded during this phase (Phase 1).

***Q: If the Stage 1 funding is split across all applications can you confirm what is available per project?***

A: Total Phase 1 funding available is £1m for deployment projects and the roadmap projects. Total eligible project costs will vary between £60,000 and £200,000 for the Deployment strand between £40,000 and £120,000 for the Roadmap strand. Funding levels or intervention rate will vary depending on the type of organisation that take part of the projects. It is therefore difficult to give an idea of how much will be available per project.

***Q: If the project is valued higher than the total eligible costs but the grant element requirements is much smaller is that OK or do the total eligible costs (grant plus match) have to be less than £200K for deployment and £120k for roadmaps***

A: If the total project costs are higher than the total eligible project costs advertised in the competitions this is not an issue. We just ask applicants to let us know if there is anything about their project that falls outside of the eligibility and which they are going to fund without a grant awarded to that part of the project. The innovate UK Customer Services Team can advise applicants on an individual basis and talk applicants through the best way forward.

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***Q: For deployment projects does it matter at this stage who is 'signed up' in the collaboration. i.e. does a business have to have, for example a university, or can it be multiple businesses etc?***

A: This phase (Phase 1) is about helping clusters to establish what the right structure would be for bidding into Phase 2. The more information applicants can give about the structure of the collaboration in this phase the better proposal and the higher likelihood of being able to deliver in Phase 2. However, if you need to change the organisations that will be built into the next phase, it will be allowed and we certainly expect to see that, for the large-scale projects, the number of partners in those projects would be increased quite significantly.

***Q: You have allocated £132m for deployment but we know that, for instance, what is needed for CCS to come online will be very expensive. Can you please clarify if you are proposing net zero C without CCS?***

A: £132m is the amount coming from the government to fund this cluster activity. It is expected that the clusters will more than match fund that element as we move into the next stage. The expectation is that the total investment will be around £450m. It is a significant amount of money but we recognise that this is not enough to decarbonise a cluster. It is the case that everyone recognises that this is kickstarting further investment and it is not taking the place of further investment.

***Q: If a cluster chooses to bid for both Activity 1 and Activity 2 funding streams; do both bids need to come from the same lead, or could they come from different players in that cluster?***

A: In this case the bids do not have to come from the same lead partner organisation. They can come from any entity in that cluster subject to the rules of the competition.

***Q: What are the expectations for Phase 2 in terms of match funding?***

A: The expectations for the deployment strand is that we would be hoping to secure more match funding than the grant element. We would be expecting perhaps a two to one ratio match funding to grant but that is not set down on a piece of paper yet. It is the aspiration that industry will wish to get involved in the development of these clusters and contribute financially.

***Q: Are multiple projects expected to be progressed into Phase 2 from Phase 1 or will it just be one project taken through to Phase 2?***

A: In terms of the number of projects that get taken into stage two there has been no decision made yet.

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***Q: Can we participate joined up with the winning Research and Innovation Centre organisations in this call - or will timeline of award allow for that in Phase 2, (if they are not a partner in Phase 1?)***

A: In terms of how the deployment and roadmap activities might interlink with the Research and Innovation Centre we are intending that the Research and Innovation Centre will be established around the time that the Phase 2 projects will be kicking off so that they can all work together. The idea is that the Research and Innovation Centre plan is intended to reflect what the clusters would like to see happen. The Centre Champion is expected to be in post in January 2020 and will be putting together their plan to develop the Centre over a six-month period which aligns with the timescales of Phase 1 for both the deployment and roadmaps stands.

We would like to emphasise that there is no plan to have a physical centre. It is a virtual Research and Innovation Centre which is intended to be supporting all the clusters and UK activities. It will not be focused in one place and is not an entity that you could link with in the same way that you would link with a university, but we would expect that you would link with academics who will be involved in taking the develop of the Centre forward.

***Q: You said that “at least one” cluster needs to make progress by 2030, yet “only one” cluster will be Net Zero by 2040. Does this mean just one winner all the way through, or 90% decarbonisation in 5 clusters and 100% in one cluster?***

A: In relation to the Industrial Decarbonisation Challenge, we have funding to March 2024 so we are obviously not going to achieve net zero in any of our clusters by then. It is up to the clusters, who are bidding for deployment funds, to tell us what their aspirations are. It is not mandatory that they all develop a plan which would help them to achieve net zero by 2040. We are working within the framework of the Industrial Clusters Mission.

***Q: Can a single-sector cluster in one region be eligible?***

A: The clusters are referenced in the Industrial Clusters Mission. They are intended to be regions which have a diversity of industries in them. They are intended to be able to rely on the development of significant new infrastructure for their decarbonisation plan and it's not planned to fund a single sector.

There are other funds that are targeting decarbonisation of specific sectors that are either live now will be coming live quite soon.

***Q: Can you clarify that Deployment and Roadmaps are separate stand-alone strands and that it is not necessary to have completed a Roadmap before bidding for Deployment?***

A: No, it is not necessary to have completed a roadmap before bidding for deployment. They are stand-alone strands. The Deployment strand is about specific plans for something that is going to be done between now and 2024 and the Roadmap strand is really about the wider context of what needs to be developed in a region to make best use of the infrastructure that is going to be put in place soon.

***Q: Will a Roadmap project be supported if not aligned to a successful Deployment project or can a Roadmap support all Deployment projects?***

A: We want the roadmaps to focus on a specific industrial cluster. We are not trying to look at the whole of the UK industrial decarbonisation. It is not necessary for a deployment project to be successful for the roadmap to get funding.

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**Q: The terminology 'industrial clusters' is used. How will decarbonising other sectors such as power, heat, transportation be regarded in this competition (in addition to industry)?**

A: With this competition we do not intend to be looking at decarbonising the whole of the UK, nor all sectors.

**Q: Having seen the timeline, do you have a longer schedule of milestones for the next 12 months and beyond?**

A: We are expecting Phase 2 to be launched before the end of Phase 1 but we cannot be more specific for now.

**Q: The timeline is very short for potential collaborators to develop a shared vision for a major project. Can these be extended?**

A: We recognize the timelines are quite short. The reason for that is that there is a lot to be delivered before the time the programme finishes in 2024. Starting the second Phase of the programme as early as possible is crucial so that industrial clusters can work towards developing meaningful infrastructure that is a really important thing at this point.

For very early stage clusters that are basically at pre-cluster stage this programme may not be suitable. For existing clusters, there would be enough time for people to be developing their ideas in Phase 1 and develop a plan for Phase 2.

**Q: Phase 1 is deemed to be 3-4 months - is it possible to deliver more quickly on this and embark on Phase 2 earlier, or will all Phase 2 applications be assessed on the same timescales? Can you advise timescale for Phase 2 applications?**

A: We would like the projects to be delivered quickly so we are not mandating that it has to be four months. Innovate UK competitions tend to work in quarters but if you finish the work earlier, for example in two or three months, this is fine. We have to have a process which is fair to the organisations that participate in the first phase, so we would like everybody to either meet the timescales we set in the competition document for Phase 1 or deliver a little bit earlier.

It is intended that the launch Phase 2 competitions will be before the end of Phase 1, but the date is not yet set. We would like to emphasize, though, that we are trying to design the next stage competition in part through the discussions that take place around the first phase.

**Q: Would you fund multiple projects (in a single strand) on a single 'cluster'?**

A: We would expect people to get their plans together for one cluster. If they felt that multiple projects within the cluster would be the right thing to propose we would be open to talking about that but there may be less value in such an approach for this phase.

If you would like some help in connecting with other parts of your cluster, you can contact the [Knowledge Transfer Network](https://www.ktn-uk.org/) by emailing [Peter.Clark@ktn-uk.org](mailto:Peter.Clark@ktn-uk.org).

**Q: Would you fund projects in a cluster that is not one of the 6 specific clusters identified in the Industrial Strategy?**

A: If a cluster is not in the places that we are currently considering there are other sources of funding becoming available which will be much more suited.

We have those defined cluster regions from the Industrial Clusters Mission and the maps that they have produced. We are not expecting other clusters to emerge at this point.

And we are not looking at a general decarbonisation of the UK. We are looking at decarbonising a specific region and there is a lot of backup work to justify why those regions have particular value to progressing industrial decarbonisation in the UK.

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***Q: What are the rules concerning collaboration with EU/EEA based partners?***

A: The standard rules are that Innovate UK funding is for UK organisations. However, we recognize the value of working with partners from other countries so you can have partner organisations but they will not receive any funding if they are outside of the UK. Regarding subcontractors you would need a very good reason for them not being based in the UK.

***Q: In competition phase 1 (roadmaps) how much ambition does BEIS actually want? Having attempted other multiple phase competition, Phase 1 winners with less ambition are taken forward. More ambition is considered too risky?***

A: One of the things we have really emphasized in what we're looking for in this competition is your risk identification and your risk mitigation plan. We are not looking for guaranteed deliverable roadmaps. What we are looking for is that you have a roadmap that you believe is feasible and if things go a bit off track you have thought about what we are going to do to get on track. So please do not limit the ambition in the expectation that this might be more likely to attract funding. We are looking for things that we have confidence could be deliverable but please do not think that just putting in something very ordinary is necessarily going to be a winning idea because, risk, risk recognition and risk mitigation are a really important part of this work.

***Q: How will supporting energy policy and strategy be developed alongside this competition?***

A: It is our responsibility to provide the support and evidence into government to develop the policies and strategies to support industrial decarbonisation.

***Q: Do you have a sense of timescale from bid to award and then disbursement of funding under Phase 2?***

A: We are not able to confirm that yet but we expect that we are not going to have a very extended timescale between the end of Phase 1 and the start of Phase 2.

***Q: Scope of phase 1: Could you confirm that the grant is conditional on match funding only and that we are required to identify where and how the balance of our funding is sourced?***

A: Yes, this is correct.

***Q: This is Industrial Decarbonisation and not Energy sector decarbonisation, is that correct?***

A: Yes, that is correct.

***Q: Can roadmap projects be aligned to proposals for infrastructure development in successful City Deals?***

A: There is no reason why not, provided successful city deals relate to the regions for which we are trying to develop the roadmap.

***Q: Can you clarify that Phase 1 of the deployment stage is to build a solid programme to finish in 2024 yet the start date for Phase 2 is not currently available?***

A: We are trying to kick off Phase 2 projects as early as possible in 2020 so there is not going to be a long gap between the end date of Phase 1 and the start of Phase 2. Because we are going to engage with the successful projects in Phase 1 to see what can be delivered we may start Phase 2 little bit earlier but we are not yet able to provide dates.

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**Q: Who is the contact at the Knowledge Transfer Network (KTN) to help engage service providers with cluster needs?**

A: There are a few people at the Knowledge Transfer Network (KTN) who can help but please contact KTN by emailing [Peter.Clark@ktn-uk.org](mailto:Peter.Clark@ktn-uk.org).

**Q: To confirm match funding to phase 2 (especially on a 2:1 basis i.e. 10s of millions) companies will need confidence that the government will likely develop the business model framework to progress to FID. What type of by-lateral public private sector partnership is being established in Phase 1 to give confidence to business to progress to Phase 2 in line with this scale of match funding commitment?**

A: Innovate UK are working extremely closely with BEIS and the Industrial Clusters Mission team. This close link ensures everything moves forward in line together, as far as is possible. Because a lot of engagement activities have taken place on this we know that it's important for policies to move at the same pace.

**Q: Can you confirm that invitations to collaborators have to be accepted by the invitees on IFS before you can submit the application? This seems to have been the case in previous submissions.**

A: It is definitely up to collaborators to accept and they have to know that they are being drawn into it. Every partner has to accept the invite. If you are experiencing issues it might be due to your company's firewall and should be easily sorted by your IT department.

**Q: Does the collaboration agreement need to be submitted with the application?**

A: No. But if you're successful, it will need to be submitted during the project setup stage. If you already started working on it now then it will just help you speed up the process later, should you be successful.

**Q: By 'signed collaboration agreement' what level of contract is expected between parties. For example, is a signed letter between all parties submitting the bid sufficient - how does Innovate UK clarify 'signed collaboration agreement' in the appraisal process?**

A: At that point in the process you will have a monitoring officer assigned to your project. The monitoring officer will let you know everything that we need to see, including a signed collaboration agreement. Innovate UK will only check that you have signed it and check that every person named in the partners has signed it but we will not look into the details of the agreement.

**Q: Can a single region receive the funds from activity 1 and also activity 2?**

A: Yes, applicants from a single region or cluster can apply for funding from both strands as they are complementary.

**Q: As this is a two stage process, are you expecting to fund more than one first stage proposal?**

A: Yes. This is the first phase of a 2-phase competition. Phase 2 is dependent on the success of phase 1. Only successful applicants from phase 1 will be invited to take part in phase 2. In phase 1 of both competitions you must develop a plan setting out your proposed approach to phase 2.

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***Q: We understand this funding is for bodies outside EPSRC***

A: Yes

For projects under Strand 1 - Decarbonisation of Industrial Clusters: Deployment – project lead organisations must be a UK registered businesses (any size) and other organisations in the project team must be: UK registered businesses (any size); research organisations; public sector organisations; charities or academic Institutes.

For projects under Strand 2 - Decarbonisation of Industrial Clusters: Roadmaps – project lead organisations and other organisations in the project team can be any of the following: UK registered businesses (any size); research organisations; public sector organisations; charities or academic Institutes.

***Q: Will there be a way to find out who is bidding so that we can contact them about being a potential partner?***

A: If you want help to find a project partner, you can contact the [Knowledge Transfer Network](#) by emailing [Peter.Clark@ktn-uk.org](mailto:Peter.Clark@ktn-uk.org)

***Q: What can the project size be for phase 2?***

A: This has not yet been determined.

For projects under Strand 1 - Decarbonisation of Industrial Clusters: Deployment - up to £131 million will be awarded in phase 2 and up to £8 million will be awarded to projects under Strand 2 - Decarbonisation of Industrial Clusters: Roadmaps.

***Q: Can we resubmit an application that has been updated after receiving assessor feedback?***

A: No, we do not allow resubmissions and we consider applications updated following assessor feedback to be a resubmission.

***Q: What is the Industrial Decarbonisation Challenge (IDC)?***

A: As part of Wave 3 of the Industrial Strategy Challenge Fund, UKRI have allocated up to £170 million of funding to kick-start delivery of the Industrial Clusters Mission, through the “Industrial Decarbonisation Challenge”.

This includes support for 3 activities:

- Up to £132m to support projects that will help to decarbonise a cluster (Demonstrator strand).
- Up to £8m for the development of cluster decarbonisation roadmaps (Roadmap strand).
- Up to £20m to establish a Sustainable Research Centre.
- The remaining £10m is programme budget.

The spend profile for this funding runs from 2019/20 to 2023/2024.

***Q: Will all of the funding go to one project, or be split across multiple projects?***

A: Across both activities 1 and 2 (Demonstrators and Roadmaps) UKRI are looking to fund a portfolio of projects.

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***Q: This isn't enough money to deliver the mission ambition / an entire project. Will there be further funding?***

A: We are clear that additional policies and funding beyond the IDC will be required to deliver the mission and are considering this as part of our planning.

***Q: What is the difference between phase 1 and phase 2 of the IDC Demonstrator Activity?***

A: In Phase 1 successful bidders will work with UKRI to develop a detailed project delivery plan for a cluster decarbonisation project, which could be carried out in phase 2.

In phase 2 up to £131 million will be awarded for projects that will deliver, or support delivery of, significant emissions reductions in a UK industrial cluster by 2030, in line with the Industrial Clusters Mission.

Phase 2 is dependent on the success of phase 1, therefore only successful applicants in phase 1 will be invited to take part in phase 2.

***Q: What activities and technologies will be supported by the IDC?***

A: The rationale for the Mission includes that clusters can be decarbonised cost-effectively through the use of shared infrastructure and economies of scale, with CCUS and low-carbon fuel production and distribution networks being examples of technologies that we are aware of which are aligned with this rationale. Whilst the IDC is technology neutral it will reflect this rationale.

For detailed questions on eligibility and scheme design please refer to the IDC Competition Brief, which can be found here, or contact UKRI, either by emailing them at [support@innovate.ukri.org](mailto:support@innovate.ukri.org) or by calling the competition helpline on 0300 321 4357 between 9am and 5.30pm, Monday to Friday.

***Q: This isn't enough money to achieve Government's net-zero target for industry, will there be further funding?***

A: Alongside the IDC which has been made available to kick-start delivery of the Mission, there are a range of other Government policies and funds that can support industrial decarbonisation, including:

- £315m Industrial Energy Transformation Fund
- £250m Clean Steel Fund
- £100m Hydrogen Production Fund
- £18m Industrial Heat Recovery Scheme
- £166m through the Foundation Industries Challenge (also from the ISCF)
- £100m BEIS Energy Innovation Fund

We will continue to work with industry to understand how policy can best enable industrial decarbonisation, including in relation to whether further Government funding is required.

***Q: How does this link to Government's CCUS commitments?***

A: Policy is aligned. The IDC could support delivery of CCUS infrastructure, which would help us to deliver our CCUS commitments.

***Q: How does this link to your work on CCUS business models?***

A: If the IDC supports CCUS projects, then we envision that the CCUS business models that we are developing would be available to provide further support if required.

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***Q: How will you decide the winners of the competition?***

A: UKRI will decide the winners of the phase 1 competition based on the bids that are submitted. This is done through a standard process of independent assessment by relevant experts.

***Q: Will my region get any funding?***

A: It cannot be guaranteed that a particular region will receive funding.

***Q: Why is this only focused on clusters? Don't you care about other parts of industry?***

A: Funding through the IDC is aimed at kickstarting one or more decarbonisation projects in industrial clusters. We are aware that industrial emitters outside of clusters will also need to decarbonise to reach our net-zero ambitions and we are working to support them.

***Q: How will all three activities (Deployment, Roadmap and Research & Innovation Centre (RIC)) within the IDC programme be linked?***

A: We see all three components as closely linked. We expect any given Deployment project to feed into a Roadmap project which will give that cluster the broader perspective on how to get to Net Zero by 2040. We expect the RIC to link to the clusters and what they need. The RIC needs to work with the clusters to help them thrive and share knowledge to get to Net Zero. We have a planned process – which includes common governance. – to ensure all components of the programme interlink.

***Q: Are individual industrial plants that sit inside or outside of the identified clusters able to participate or are they excluded?***

A: This programme is targeted at decarbonisation within the clusters identified in the BEIS Industrial Clusters Mission. Any plants would need to part of one of these clusters to participate in this programme. There are other programmes around that will fund decarbonisation – or other similar innovation activities – at a plant level.

Clusters are not fixed. So if you are in one of the identified regions but not yet engaged in conversations on how to bid to this programme then you should see how you can get involved.

***Q: Is there a defined fixed geography for the clusters or is it possible to have a Deployment project that is on the edge of one of those circles on the BEIS Industrial Clusters Map?***

A: The Deployment Competition is about deploying infrastructure for decarbonisation for clusters. If you think you have an idea on how to cost effectively decarbonise part of a cluster then it is worth considering this programme but we stress this Competition is not about decarbonising the whole of the UK but is about decarbonising those key industrial clusters referenced in the BEIS Industrial Clusters Mission.

***Q: Which clusters are in scope and which are out? Is it just the 6 clusters mentioned in the BEIS Cluster Mission?***

A: The BEIS Map shows the 6 clusters that have been identified as key for industrial cluster decarbonisation in the UK and having the right sort of characteristics for deploying decarbonisation infrastructure. There may well be other parts of the UK that may be suitable. We are not ruling them out but if you are considering a project outside of the 6 identified clusters then you would need to review the Competition materials carefully to make sure you will be in scope

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***Q: Are you looking for smaller projects within a cluster to bid or are you looking for the cluster to come together?***

A: We are encouraging clusters to come together to submit projects as one cluster rather than see multiple small projects but there is nothing to stop these smaller projects from submitting. We would just stress that ideally, we are looking for clusters to come together.

***Q: How do you anticipate coordination between the clusters across the 3 IDC activities?***

A: We will be encouraging knowledge sharing. It will depend on where there are common threads. We know cluster cooperation is very important and will be encouraging it at all levels

***Q: Is industrial symbiosis in scope? What technologies are in-scope for this programme?***

A: The Competitions are technology neutral. You would have to be very clear about how any particular technology is relevant to – and will generate impact – a cluster

***Q: For businesses with early stage technology that could help with the decarbonisation challenge, should we try to join the cluster consortia bidding for the Deployment or Roadmaps Competitions or through the RIC or something else?***

A: There is no funding for early or mid-stage technology development through this programme. Please contact KTN who can help guide you in the direction of other appropriate funding programmes. There may be some opportunities through the RIC but we are not going to be developing new technologies through this funding so we would recommend exploring other funding programmes.

***Q: In Phase 2 of the Roadmap Competition, will you award 1x £8M grant?***

A: No, we will fund multiple projects in Phase 2

***Q: Will you fund specific sectors?***

A: No, this is not about funding specific sectors to decarbonise, this programme is about funding cluster-based decarbonisation. If you are interested in funding for specific sectors then we recommend you look at other funding programmes.

***Q: You are only expecting one application from each cluster for each Competition?***

A: We understand there may be multiple applications relating to each cluster, but ideally we would prefer clusters to come together to focus on what can be done for that region

***Q: Are there any uplifts on the intervention rates for project funding through State Aid that are applicable in Stage 1?***

A: For these Stage 1 Competitions, there are no uplifts through State Aid. There may be an opportunity to get an uplift in certain regions of the UK for certain deployment projects in Stage 2 so we would expect successful bidders in Stage 1 to investigate this during their Stage 1 project in preparation for Stage 2.

***Q: Can an organisation lead on one Deployment and Roadmap?***

A: The same organisation can lead on one Deployment and one Roadmap project however if you were successful Innovate UK would want you to demonstrate that you could resource both.

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***Q: What is the intervention rate for public organisations?***

A: If they are doing research it is 100% but if they get financial gain from the project then they would be treated like a business and subject to the standard intervention rates

***Q: What is eligible as match funding? What is acceptable in terms of in-kind support?***

A: Review the General Guidance for Applicants and also the [Finance Form Guide](#). If you still have questions relating to match funding or finances, please contact the [UKRI Competitions Team](#).

***Q: Can consortia change significantly through Phase 1?***

A: We expect the same key organisations to be involved in Phase 1 and 2 but we anticipate additional people with different skill will be required in Phase 2. The cluster project consortia will just need to justify why they want to bring in additional partners or make changes in Phase 2.

***Q: In terms of impact, are you looking for projects that make impacts in terms of carbon emissions on a local, UK, or global level?***

A: We have not defined this at this stage. During then Phase 1 projects we will work with the successful consortia to develop the metrics for Phase 2.

***Q. How are you expecting clusters to demonstrate impact in proposals in light of complex policy environment uncertainty?***

A: We recognise that policy must develop hand-in-hand with the large deployment projects and are working closely with policy makers

***Q: What is the end-point for this programme?***

A: End March 2024. We know we won't have decarbonised the clusters entirely by this time but we anticipate other funding be accessible before the IDC finishes?