



InnovateUK
KTN

Local Industrial Decarbonisation Plan (LIDP) Competition

Frequently Asked Questions

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Funding

Are there any requirements for match funding, and if so, what are they?

Every project partner is funded separately and match funding is dependent on organisation size and type as detailed above.

Academics / research organisation do not need to provide match funding (providing the organisation is on the Innovate UK list as a qualifying research organisation).

Will costs be fully funded or only up to a certain percentage?

The public sector organisations, charities and research organisations undertaking non-economic activity as part of the project can share up to 50% of the total eligible project costs.

Within this 50% limit If your consortium contains:

- more than one public sector organisation, charity or research organisation, this maximum is shared between them
- academic organisations and research and technology (RTO) organisations undertaking non-economic activity as part of the project, their share must not exceed 30% of the total eligible project costs

Public sector organisations, charities and research organisations could get funding of eligible project costs of up to:

- 80% of full economic costs (FEC) if you are a Je-S registered institution such as an academic
- 100% of your project costs if you are an RTO, charity, not for profit organisation, public sector organisation or non Je-S registered research organisation

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<https://www.ukri.org/councils/innovate-uk/guidance-for-applicants/costs-we-fund/>

What can the grant funding be used for? What costs are eligible for support under the project funding, both internal (staff time) and external (consultancy)?

Information on eligible costs can be found in IUK's guidance for applicants

<https://www.ukri.org/councils/innovate-uk/guidance-for-applicants/costs-we-fund/>

What funding is anticipated to be available for the implementation of the decarbonisation plans from January 2025?

Currently, there are no updates regarding future funding available beyond the end of the funding period (March 2025). However, Government is providing a range of funding opportunities to support deployment of industrial decarbonisation technologies. For example, the British Energy Security Strategy announced that by 2025 we will design new business models for hydrogen transport and storage infrastructure. They have also announced a £185 million uplift for Phase 3 of the IETF, bringing the total allocation to the IETF to £500m across all phases. They intend to open Phase 3 of the IETF for new applications in early 2024.

Will each project partner have different match funding levels depending on their size?

Yes, funding is dependent on organisation size / type

Is the intention of the funding to support identification of solutions, or should it also include deployment?

Yes. The funding is to support identification of solutions, including a clear route to implement decarbonisation of your local cluster.

For clarity, the funding does not support deployment approaches.

Will there be any other funding available to support the unsuccessful bids to decarbonise?

Currently, there are no updates regarding additional funding to be made available for unsuccessful bids beyond the end of the funding period (March 2025). However, Government is providing a range of funding opportunities to support deployment of industrial decarbonisation technologies. For example, the British Energy Security Strategy announced that by 2025 we will design new business models for hydrogen transport and storage infrastructure. They have also announced a £185 million uplift for Phase 3 of the IETF, bringing the total allocation to the IETF to £500m across all phases. They intend to open Phase 3 of the IETF for new applications in early 2024.

Eligibility

What will be considered a successful project? And how will this be measured for example Is there a minimum limit of CO2 saved?

A successful project will demonstrate effective cooperation and coordination among stakeholders at the local level, highlighting the benefits of the cluster, such as reductions in GHG emissions. Projects should also consider broader societal benefits, including impacts on health, social, economic, and environmental factors. While all emissions will be considered, the primary focus will be on scope 1 and 2 emissions. Please note that there is no specific emissions reduction target required as part of the project.

The project will set the foundation and deliver on the goals established during the implementation stage.

Would Agriculture and farming businesses be eligible for this competition?

The main focus of the competition is to support industrial manufacturers, to develop credible decarbonisation plans for their local cluster. There is no criteria to exclude a range of different sectors from the funding, and would likely be considered eligible if collaborating with other stakeholders, (including industrial partners), and can provide a clear narrative and rational - subject also to being within the remaining scope and eligibility criteria.

Is this only about carbon reduction not sequestration? Supply chains in Food and agricultural industries must address both aspects of carbon for sustainability?

Both carbon reduction and sequestration would be within scope of the competition. The funding is aimed at producing credible decarbonisation plans which could consider a multitude of options available to the local cluster to reach Net Zero by 2050.

Can ports be included within an industrial cluster?

Yes. There is no criteria to exclude ports from the funding, but please consider the scope and eligibility criteria associated with the fund

What type of sectors can be included in decarbonisation plans?

The main focus of the competition is to support industrial manufacturers, to develop credible decarbonisation plans for their local cluster. There is no criteria to exclude a range of different sectors from the funding, and would likely be considered eligible if collaborating with other stakeholders, (including industrial partners), and can provide a clear narrative and rational - subject also to being within the remaining scope and eligibility criteria.

What specific areas/themes should a cluster focus on?

It is recognised that local industrial clusters will be at different stages of development but we would anticipate that your local cluster decarbonisation plan would include:

- technology options
- emissions data
- commercial arrangements
- stakeholders
- funding and finance
- knowledge dissemination, in the form of a dissemination plan demonstrating how learning from the project will be gathered and disseminated to other industrial clusters and dispersed sites
- the economic, social and environmental impact of decarbonising the local cluster
- existing decarbonisation activities
- barriers and enablers
- geographic coverage
- timelines
- exploitation plan

Collaboration and Partnerships

Is there a limit to the number of applications that an organisation can submit?

A business, research, and technology organisation (RTO), charity, not for profit or public sector organisation can lead on one application and can be included as a collaborator in a further 2 applications. If an organisation is not leading an application, it can collaborate in up to two applications.

What stakeholders must be engaged with as a prerequisite to a successful bid?

We encourage as much engagement with a variety of stakeholders likely to be involved with the local cluster. There are no set parameters around who you must have engaged with to be successful in your application, but we would highly encourage engagement with a broad range of stakeholders.

What organisations can be project lead and/or collaborator?

To lead a project, the applicant / organisation must be:

- A UK registered business of any size
- Research organisation
- Public sector organisation
- Charity
- Not for profit

To collaborate with the lead your organisation must be:

- As above, plus academic institutions

N.B. Local Authorities are categorised as research participants for the purpose of this funding.

How do potential applicants find partners or build a cluster?

To assist organisations in forming a local cluster several collaboration building workshops were held during the month of May. The recordings of which can be found here <https://iuk.ktn-uk.org/events/local-industrial-decarbonisation-plans-collaboration-building-workshops/>.

The KTN are also available to facilitate conversation between organisations, you can contact them at net.zero@iuk.ktn-uk.org

Are there any limitations to the type of collaborations that can receive funding?

The focus of the competition is on industrial decarbonisation within a local area/cluster, therefore, we would encourage collaborations to involve industrial emitters, but also a broad spectrum of other stakeholders e.g. local authorities, academics, charities, research organisations etc.

Applications that are primarily focused on industry, but which show synergies with decarbonisation of other sectors will be eligible for the fund.

Applications considered to duplicate the scope of [IDC Clusters](#), will not be eligible, however plans that are not covered by the IDC clusters, but which can show how their plans will connect to the clusters, will be accepted.

How might any overlapping but separate applications be considered?

All submissions would be considered against the scope and eligibility criteria set out in the competition brief, and the applicants responses to the application questions. There is no ability to 'link' applications, each application will be assessed individually.

Please note that during the application process, we will be unable to share other applications document due to potential conflicts of interest.

What will the competition entail, and are there any specific requirements for the proposal, such as word count or budget breakdown?

The competition is live in the [Innovation Funding Service](#) and IUK [Funding Finder](#) and is following the standard Innovate UK competition process, which includes a set of application questions outlined in a competition brief.

The [competition brief](#) will provide you with the requirements needed to submit an application. Applicants will need to respond to the questions. The submission will be assessed by independent assessors and will need to reach a quality threshold to be eligible for project selection.

For further information on how UKRI assesses applications, please see here:

<https://www.ukri.org/councils/innovate-uk/guidance-for-applicants/general-guidance/what-happens-after-you-have-submitted-your-application/#:~:text=Applications%20are%20assessed%20against%20the,will%20form%200your%20application%20feedback.>

Industrial Clusters

Why have you excluded FEED works?

We recognise that many local clusters are in their early stages of development, or are just forming, and are therefore not at this stage of maturity. The £5million of funding available is focused on the development of strategic industrial decarbonisation plans, not deployment or advanced engineering studies.

What is the geographical scope of the funding?

The funding will be available to projects across the whole of the UK, including England, Northern Ireland, Scotland and Wales.

How is an industrial cluster defined?

There are no set parameters defining a local industrial cluster, it is expected that applicants will have the opportunity to determine the appropriate geographic area during the competition process. We encourage applicants to articulate in their submission why a specific area should be considered for funding with a credible narrative.

What are the existing industrial clusters and where are they located?

Existing industrial clusters refer to those funded through the [Industrial Decarbonisation Challenge](#).

However, plans that do not duplicate area coverage of IDC Clusters, but which can show how their plans will connect to IDC Cluster Plans are likely to be accepted.

What is the scale of a cluster in terms of geography and number of businesses?

While there are no set parameters for defining the scale of a cluster, this will be up to the applicants to determine, we anticipate that each cluster will have involvement from a broad range of stakeholders.

Our expectation is to fund a range of local clusters from around the UK, of varying sizes and shapes. It is up to applicants to present the best possible case for their local cluster within the parameters of the competition guidelines.

Can a new cluster include a diverse portfolio of decarbonisation solutions and support multiple industrial sectors?

Multiple industrial sectors can collaborate, and is encouraged.

In addition, while applications for funding should primarily address the decarbonisation of industry, applications that can evidence why other non-industry sectors should be included in their local decarbonisation plans may be considered for funding through this competition.

On the structure of the cluster - do you expect this to be a legal entity, e.g., something that could be fundable?

A cluster will need to sign a collaboration agreement if successful, but it does not need to be a legal entity.

However, the outcome of the local cluster plan may be that a legal entity is formed to implement the plan. Although this again is not a requirement.

How are IDC areas defined?

The successful projects funded through the Industrial Decarbonisation Challenge can be found here [Industrial Decarbonisation Challenge](#)

Is all of a particular region considered an industrial cluster, and can applications be made if they don't overlap with existing clusters?

We won't be considering projects that have been funded through the Industrial Decarbonisation Challenge (IDC), however plans that show how they connect to an IDC cluster will be considered.

What is the definition of "industrial," and what types of projects are within the scope of the funding?

The LIDP competition does not define industry. The LIDP is primarily focused on decarbonising industry, although if a proposal can show synergies with other sectors they are likely to be accepted.

Can an application encompass all existing mini-clusters or focus on just one?

Our expectation is to fund a range of local clusters from around the UK, of varying sizes and shapes. It is up to applicants to present the best possible case for their local cluster within the parameters of the competition guidelines.