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SBRI: Unlocking Space for Business: Transport & Logistics and Financial Services

Competition Guidance Notes

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**Short summary**

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| Eligible organisations can apply for a share of up to £2 million, inclusive of VAT, to develop commercially viable innovative feasibility studies, that aim to combine terrestrial technologies with satellite data and services, to be adopted by customers in either the Transport & Logistics, Financial Services sectors or both. This funding is from the UK Space Agency. |

# **Summary (Description)**

This is a [Small Business Research Initiative](https://www.ukri.org/what-we-offer/browse-our-areas-of-investment-and-support/small-business-research-initiative-sbri/) (SBRI) competition funded by the UK Space Agency.

The Aim is to undertake commercially viable innovative feasibility studies, that aim to combine terrestrial technologies with satellite data and services, to be adopted by customers in the Transport & Logistics and Financial Services sectors.

The following documents support this Competition Guidance and are available within the application form and at the competition website.

* SBRI Terms and Conditions (Annex A)
* UKSA SBRI Additional Guidance (Annex B)
* Finance Spreadsheet (Annex C)
* Scoring Evaluation Criteria (Annex D)
* IP Declaration (Annex E)

It is recommended that you review all the annexes before starting your application.

## **1.1 Background**

Satellite data and services already underpin over 17% of UK GDP, with innovation continuing to unlock new opportunities for business.

Harnessing satellite data and services with complementary data sources can unlock new opportunities for businesses, from revenue growth and operational efficiencies to customer experiences and environmental, social and governance (ESG) benefits.

This competition aims to fund innovative feasibility studies fusing terrestrial data sources with satellite data and services, within the Transport & Logistics and/or Financial Services sectors.

Your project must demonstrate the development of satellite data and services solutions within the two target sectors, delivering a feasibility study that solves customer challenges in these sectors. We are particularly interested in proposals from organisations that can combine terrestrial data and services (e.g. AI, Quantum, Machine Learning, Drones, Geospatial Data) with satellite data and services, and can provide analysis to derive value-added insights, to develop innovative solutions for customers.

UKSA particularly welcomes applications from organisations who have not extensively used satellite data and services in their organisation before. UKSA recognises that while projects may have potential impact on both the Transport & Logistics and Financial Services sectors, your project should have an identified primary target sector. If possible, you should identify any expected spillover impacts on other sectors within your proposal.

Your proposal must detail the intended customer groups, integrators and suppliers of satellite data and services who will be involved in your feasibility study.

## **1.2 SBRI Summary**

UKSA reserves the right to launch a phase 2 of this competition, subject to the outcomes from this phase 1. While the details of a phase 2 are yet undecided it is likely to include a demonstration of your solution in a live environment.

In applying to this competition, you are entering into a competitive process.

Any adoption and implementation of a solution from this competition would be subject to a separate, possibly competitive, procurement exercise. This competition does not cover the purchase of any solution by the UK Government.

This competition closes at 11am UK time on the date of the deadline.

# **Your Project**

## **2.1 Eligibility**

Projects must:

* Be ready to commence by 31 January 2024
* Deliver at least one key milestone by March 2024
* Be completed within 6 months
* Conduct the majority of the research, development and testing within the UK

## **2.2 Applicant**

To lead a project, you:

* Can be an organisation of any size
* Can work alone or with others from business, research organisations, research and technology organisations or the third sector as subcontractors
* Must have a valid UK bank account capable of accepting BACS payments
* Must be able to provide reporting against North Star Metric (see section 7.1)
* Must provide evidence and data as part of the monthly reporting cycle in support of M&E activities. These data points may include insights into revenue generation, job creation and cost savings
* Must be available for interview and survey by M&E delivery partners as required throughout the project and following its conclusion

This competition will not fund any procurement, commercial, business development or supply chain activity with any Russian or Belarusian entity as lead or subcontractor. This includes any goods or services originating from a Russian or Belarusian source.

Contracts will be awarded to a single legal entity only. However, if you can justify subcontracting components of the work, you can engage specialists or advisers. The project and delivery against the project milestones will still be the responsibility of the main contractor. For clarity your subcontractors may not meet all the eligibility criteria, however we maintain the right to review subcontractors on a case by case basis and to object where we see a need to.

# **Funding**

A total of up to £2,000,000.00 inclusive of VAT, is allocated to this competition.

This competition involves up to 10 feasibility study research and development (R&D) contracts being awarded to organisations. The contracts will be up to £200,000, inclusive of VAT, for each project for up to 6 months.

The total funding available for the competition can change. The funders have the right to:

* adjust the provisional funding allocations between the phases
* apply a ‘portfolio’ approach as detailed in the Annex B

The contract is completed at the completion of all milestones set out in the project plan, and the successful organisation is expected to pursue commercialisation of their solution.

**Value Added Tax (VAT)**

You must state whether you are VAT registered before entering your project costs.

VAT is the responsibility of the invoicing business. We will not provide any further advice and suggest you seek independent advice from HMRC.

**VAT registered**

If you are VAT registered, you must enter your project costs exclusive of VAT. As part of the application process VAT will be automatically calculated and added to your project cost total. Your total project costs inclusive of VAT must not exceed £200,000.

**Not VAT registered**

If you are not VAT registered, you must enter your project costs exclusive of VAT. You will not be able to increase total project costs to cover VAT later should you become VAT registered. Your total project costs must not exceed £166,666.

**Research and development (R&D)**

Your application must have at least 50% of the contract value attributed directly and exclusively to R&D services, including solution exploration and design. R&D can also include prototyping and field-testing the product or service. This lets you incorporate the results of your exploration and design and demonstrate that you can produce in quantity to acceptable quality standards.

R&D does not include:

* commercial development activities such as quantity production
* supply to establish commercial viability or to recover R&D costs

integration, customisation or incremental adaptations and improvements to existing products or processes

# **Subsidy Control**

SBRI competitions involve procurement of R&D services at a fair market value and are not subject to subsidy control criteria that typically apply to grant funding

# **Scope**

## **5.1 Your project**

This competition aims to fund innovative feasibility studies using satellite data and services, within the Transport & Logistics and/or Financial Services sectors in the UK.

You must show how your solution involves an innovative application of satellite data and services, which may be combined with terrestrial data sources, to drive business benefits within the Transport & Logistics and/or Financial Services sectors in the UK. Your project must develop a solution for end customers in these sectors by targeting those organisations who have not extensively used satellite data and services before. Proposals are encouraged from organisations who can bring together diverse data and service types, and in some cases provide analysis to derive value-added insights, to encourage innovative uses of satellite data and services by customers in the Transport & Logistics and/or Financial Services sectors.

Your project should involve one or more of the three types of commercial satellite data and services:

* satellite imagery (earth observation)
* satellite connectivity & communications
* position, navigation & timing (PNT)

In this competition you must focus on close to market solutions, prioritising:

* new revenue growth opportunities
* improved customer experiences and enhanced benefits
* operational efficiencies
* environmental, social and governance (ESG) benefits

You must demonstrate how your innovative application of satellite data and services can be integrated into functional prototypes and system solutions for end customers in the target sectors. The demonstration of active support and commitment of potential end customers would strengthen the application. You can submit a letter(s) of support with your answer to question 7 in your application to highlight this commitment.

You must demonstrate a credible and practical route to market, so your application must show how you will engage with potential end customers, integrators and space suppliers, including a plan to commercialise your results.

Our goal for funded projects is that through exploitation of commercial satellite data and services, combined with terrestrial data types and sources, businesses in the Transport & Logistics and Financial Services sectors will be able to collaborate across the supplier and integrator ecosystem to unlock new benefits from satellite data and services.

Contracts will be given to successful applicants. At this stage contracts will be given for phase 1 only.

## **5.2 Specific themes**

Your project must focus on driving benefits for businesses in one of the following sectors:

* Financial Services
* Transport & Logistics

## **5.3 Research categories**

**Phase 1: technical feasibility studies**

This means planned research or critical investigation to gain new knowledge and skills for developing new products, processes or services.

In phase 1 your project will work closely with potential future customers to develop a solution and produce a final report, which will be assessed. This may form part of the decision for awarding contracts for a future phase 2.

UKSA reserves the right to launch a phase 2 of this competition, subject to the outcomes from this phase 1. While the details of a phase 2 are yet undecided it is likely to include a demonstration of your solution in a live environment.

## **5.4 Projects we will not fund**

We will not fund projects that:

* are not original or in scope
* duplicate someone else’s work
* do not demonstrate significant support and engagement from potential customers in either the UK Transport & Logistics or Financial Services sectors
* do not evidence the potential for their proposed innovation to generate positive economic, environmental or societal impact
* do not address how any potentially negative outcomes would be managed
* are being funded elsewhere in the UK Space Agency or UK Government
* would directly duplicate other UK Government or EU funded initiative you have already been funded to deliver
* are covered by existing commercial agreements to deliver the proposed solutions
* involve solutions considered below technology readiness level 4
* cannot provide reporting against the UK Space Agency’s North Star Metric

# **Dates & Competition Deadline**

|  |  |
| --- | --- |
| Open date | 17 November 2023 |
| Online MS Teams Webinar briefing event: | 30 November 2023 |
| Close date | 15 December 2023 |
| Applicants notified and feedback provided | 22 December 2023 |
| Contracts awarded | January 2024 |

# **How to apply**

## **7.1 Before you Start**

By submitting an application, you agree to the terms of the draft contract which is attached to the Contract Notice in Annex A. The terms of the contract are non-negotiable and are included in the draft contract. We reserve the right to change the terms and conditions if necessary prior to contract signature.

The final contract will include any milestones you have agreed with the funding authority and will be sent to you if your application is successful. The contract is binding once it is returned by you and signed by both parties.

Annex C sets out the standard assessment process.

As the applicant you are responsible for:

• collecting the information for your application

• representing your organisation in leading the project if your application is successful

The UK Space Agency’s North Star Metric: In addition to ongoing reporting, successful applicants will be expected to provide the UK Space Agency with 6-monthly updates on North Star Metrics during the course of project delivery, and information on the impact of funding support up to 10 years after project completion. Details of this can be found in the additional guidance document.

## **7.2 What Happens Next**

A selected panel of assessors will review and score your application. You will be notified of the outcome and feedback will be provided. Contracts for this competition will then be issued to all successful applicants. Further details can be found in the additional guidance document.

## **7.3 What we will ask you**

The application is split into 4 sections:

1. Project details
2. Application questions
3. Finances
4. Background IP

You must read the additional guidance document on applying for a competition on the Innovation Funding Service before you start.

Before submitting, it is the lead applicant’s responsibility to make sure:

* that all the information provided in the application is correct
* your proposal meets the eligibility and scope criteria
* all sections of the application are marked as complete

You can resubmit your application once submitted, up until the competition deadline.

**Accessibility and inclusion**

We welcome and encourage applications from people of all backgrounds and are committed to making our application process accessible to everyone. This includes providing support, in the form of reasonable adjustments, for people who have a disability or a long-term condition and face barriers applying to us.

You must contact us as early as possible in the application process. We recommend contacting us at least 5 working days before the competition closing date to ensure we can provide you with the most suitable support possible.

You can contact us by emailing [Commercial@ukspaceagency.gov.uk](mailto:Commercial@ukspaceagency.gov.uk)

### **Project Detail**

This section provides background for your application and is not scored.

**Application details**

Give your project’s title, start date and duration.

**What is your organisation’s primary area focus?**

state your organisation’s primary focus area.

**Project and scope summary**

Please provide a short summary of your project.

Describe your project briefly. Be clear about what makes it innovative and how it relates to the scope of the competition. How does it tackle different aspects of the challenge and how will it provide an integrated solution?

Give details of the lead organisation. Before you submit, we expect you to have discussed your application within your organisation.

Your answer for this section can be up to 800 words long.

This section is not scored, but we will use it to decide whether the project fits the scope of the competition. If it does not, it may be rejected.

**Public description**

Please provide a brief description of your project. If your application is successful, we will publish this description. This could happen before you start your project. This question is mandatory, but we will not assess this content as part of your application.

Describe your project in a way that you are happy to see published. Do not include any commercially sensitive information. We have the right to amend the description before publication if necessary but will consult you about any changes.

Your answer can be up to 400 words long.

**Applicant location**

You must state the name of your organisation along with your full registered address and Companies House number.

You must also state the name and full registered address of any potential or confirmed subcontractors. You must demonstrate the active support and commitment of potential end customers. You can submit a letter of support with your application to highlight this commitment.

We are collecting this information to understand the geographical location of all participants of a project.

Your answer can be up to 400 words long

### **Application questions**

The assessors will score all of your questions except questions 1 and 2 which are not scored. You will receive feedback for each scored question. The Scoring Criteria can be found in Annex D. A high-level summary is provided below:

|  |  |  |
| --- | --- | --- |
| # | Title | Weighting % |
| 1 | Themes | Not Scored |
| 2 | Permits | Not Scored |
| 3 | Proposed idea or technology | 15 |
| 4 | Technical feasibility | 25 |
| 5 | Project plan, methodology and risk management | 15 |
| 6 | Value for Money | 15 |
| 7 | Commercial Potential | 25 |
| 8 | Benefit to the UK | 5 |

Your answer to each question can be up to 2 pages long. Do not include any URLs in your answers unless we have explicitly requested a link to a video.

### **Finances**

Enter your project costs, organisation details and funding details within the template at Annex C.

You must state whether you are VAT registered before entering your project costs. We advise you answer the VAT registered question first before entering your costs. Your total project costs must not exceed £200,000 inc. VAT.

If you are VAT registered, you must enter your project costs inclusive of VAT.

If you are not VAT registered, you must enter your project costs exclusive of VAT and no VAT will be added. You will not be able to increase total project costs to cover VAT later should you become VAT registered.

VAT is the responsibility of the invoicing business. We will not provide any further advice and advise you to seek independent advice from HMRC.

For full information on what costs you can claim, see our supporting documents.

### **Intellectual Property**

You are required to identify any and all background intellectual property (IP) that you are bringing to the project using the template set out in Annex E. The arrangements for intellectual property rights and exploitation of IPR are set out in the contract terms and conditions for this competition in section 14 and 15.

# **Supporting information**

## **Background and further information**

**About Small Business Research Initiative competitions**

[SBRI](https://www.ukri.org/what-we-offer/browse-our-areas-of-investment-and-support/small-business-research-initiative-sbri/) provides innovative solutions to challenges faced by the public sector. This can lead to better public services and improved efficiency and effectiveness.

The SBRI programme:

* supports economic growth and enables the development of innovative products and services through the public procurement of R&D
* generates new business opportunities for companies
* provides a route to market for their ideas
* bridges the seed funding gap experienced by many early-stage companies

SBRI competitions are open to all eligible organisations that can demonstrate a route to market for their solution. Under current regulations, SBRI contracts are open to applications from organisations registered in the UK, European Union (EU) and the European Economic Area (EEA).

The SBRI scheme is particularly suited to small and medium-sized businesses, as the contracts are of relatively small value and operate on short timescales. Developments are 100% funded and focused on specific identified needs, increasing the chance of exploitation.

SBRI is a procurement of R&D services. If successful, you will receive a contract to deliver the proposed activity. Costs quoted must reflect actual costs at a ‘fair market value’ and not include profit.

You must submit an invoice for the work undertaken. All payments are made in arrears on submission of an invoice. Invoices must be submitted within 30 days of the end of each monitoring period for all completed milestones.

If you are VAT registered, your total costs are expected to include VAT that you would charge as a service provider. VAT is the responsibility of the invoicing business, and applications are expected to list total costs inclusive of VAT.

Suppliers, integrators and customers for each project will be selected by an open competition process and retain the intellectual property generated from the project, with certain rights of use retained by the contracting authority. This is an excellent opportunity to establish an early customer for a new technology and to fund its development.

## **8.2 Next steps**

After the assessment stage, all applicants will receive a short summary of key feedback regarding their applications irrespective of whether they are successful or not. UKSA aims to provide all feedback to applicants once all applications have been reviewed and assessed. Feedback will be given at the same time as the successful/unsuccessful letters are sent to the applicants.

**If you are successful with this application,** you will need to provide:

* the name and contact details of your project manager and project finance lead
* a redacted copy of your bank details

You must complete this within 7 days of receiving notification that you have been successful.

In order to process your claims, we need to make sure that the bank details you give to us relate to a UK high street bank that is regulated by the Prudential Regulation Authority (PRA). The account must have a BACS clearing facility and be in the same company name as your application.

In order to process your payments, you must provide details of a valid UK bank account that account must have a BACS clearing facility and be in the same company name as your application.

## **8.3 Finance checks**

We will carry out checks to make sure you are an established company with access to the funds necessary to complete the project and other relevant due diligence (financial standing assessment, governance, conflicts of interest, technical expertise).

We will carry out checks to make sure you are an established company with access to the funds necessary to complete the project.

**Your Contract**

Once we have completed our due diligence, we will issue the contract.

Your contract will show the start date for your project, do not start your project before this date. Any costs incurred before your start date cannot be claimed as part of your contract.

**If you are unsuccessful with this application**

If you are unsuccessful with your application this time, you can view feedback from the assessors. This will be provided directly to the lead applicant by UKSA.

Sometimes your application will have scored well, and you will receive positive comments from the assessors. You may be unsuccessful as your average score was not above the funding threshold or your project has not been selected under the portfolio approach if this is applied for this competition.

## **8.4 Further help and guidance**

If you have any questions about the scope requirements of this competition, or if you need more information about how to apply, email:[Commercial@ukspaceagency.gov.uk](mailto:Commercial@ukspaceagency.gov.uk):

>>END OF BRIEF<<