**Innovate UK Textile Fund**

**ABOUT THE CALL**

The Innovate UK Textile Fund is an exciting opportunity for businesses in the UK fashion and textile sector to apply for funding that will develop innovative solutions to pressing industry challenges.

The Innovate UK Textile Fund is part of the £15M trilateral UKRI Circular Fashion and Textile Programme. It is being administered by the Leeds Institute of Textiles and Colour (LITAC) and Future Fashion Factory (FFF), University of Leeds, on behalf of Innovate UK. The UKRI Circular Fashion and Textile Programme has been developed to help the fashion and textile industry integrate more sustainable and responsible practices, catalysing innovative solutions and increasing industry competitiveness. Applications must be fully aligned with one or more of the trilateral programme key themes:

* Circular Business Models
* Novel Technologies
* Sustainable Manufacturing
* Sustainable Fashion Ecosystem
* Diverse and Future-Proof Workforce
* Green Growth

**WHO CAN APPLY**

The Fund welcomes applications from UK-based fashion and textiles micro-entities or small companies (the ‘industrial partner’). To be eligible for funding industrial partners must either have textile design or textile manufacturing as their core business OR have an innovative application of their technology / product that will add-value to these industries. More than one industrial partner can collaborate on an application. The lead industrial partner must have a turnover of at least £50,000 per year and be able to demonstrate they have been established since at least 1st June 2023. A company check and Companies House report will be obtained to confirm UK registration.

Academic organisations (the ‘academic partner’) must collaborate on an application, as a partner or a subcontractor, but cannot lead a bid. Named academic organisations that have been pre-approved for this funding call are the University of Leeds, University of Huddersfield and the Royal College of Art.

The industrial partner must be based within the UK, should plan to carry out all its project work in the UK and intend to exploit the results from or in the UK. It is recognised that fashion and textiles is a global sector, where it is essential for project delivery to carry out some project work outside the UK a clear rationale must be provided within the application.

**Gateway Criteria**

* An application must be led by an industrial partner. Applications can be submitted by one company or by a group of companies with a common purpose / challenge.
* The lead industrial partner must be a micro or small organisation and have a turnover of at least £50,000 per year.
* To be classified as a micro or small company you must meet at least two of the three following conditions:
	+ have annual turnover of no more than £10.2 million
	+ a balance sheet of not more than £5.1 million
	+ an average employee headcount of not more than 50
* The lead industrial partner must have been established since at least 1st June 2023.
* Academic institutions cannot lead an application but the project must include formal academic input, either as a partner or subcontractor, from one or more of the named academic institutions to provide connectivity with the UK knowledge-base and facilitate knowledge exchange activity.
* Involvement of academic institutions must be demonstrated to be proportional to project need.
* The project must be innovative and address a genuine challenge. Generic business support / business growth projects cannot be supported via this funding mechanism.
* The project must align with one or more of the [UKRI Circular Fashion and Textile Programme](https://www.ukri.org/publications/ukri-circular-fashion-and-textile-programme-funding-decisions/) key themes.
* The project must complete, with all expenditure defrayed, no later than 31st March 2025.

**WHAT FUNDING IS ON OFFER?**

The IUK Textile Fund has £1M to distribute to UK registered micro-entities and small companies and their collaborators. Projects must last between four to six months and must have total eligible project costs of £50,000 or less. There will be one funding call and we anticipate funding 20-25 projects in total, depending on demand. Projects must start by 1st October 2024 and complete not later than 31st March 2025; all funds must be defrayed on or before 31st March 2025.

Industrial partners can apply for 100% of their eligible project costs under the cost categories Labour, Overheads, Materials, Capital Usage, Subcontractors, Travel and Subsistence, Other – further guidance on these costs can be found at [Costs guidance for non-academic organisations – UKRI](https://www.ukri.org/councils/innovate-uk/guidance-for-applicants/costs-we-fund/costs-guidance-for-non-academic-organisations/). It is recommended, but not mandatory, that industrial partners adopt the 20% flat rate overheads against eligible Labour costs for this funding programme.

Where academic institutions are subcontractors the full cost of this expenditure should be shown within the industry partner costs. Where academic institutions are partners within the project then costs can be claimed at 80% FEC. Academic partner staff may be contracted to work within an applicant company to help deliver the project if appropriate.

**HOW TO APPLY**

This is a singlestage process. It is strongly recommended (but not mandatory) that applicants discuss and explore the development of their project/s with the LITAC IUK Textile Fund team to ensure fit and alignment with the focus of the project, and avoid time being spent on projects that are unlikely to be supported. If you would like some preliminary feedback please send a brief description of your project idea, an ‘Expression of Interest’ (EOI) to l.munroe@leeds.ac.uk by 30th June 2024; feedback will be provided within five (5) working days. All Full Applications must be submitted on the supplied pro-forma application form, via the submission portal, not later than 17:00 on Wednesday 31st July 2024.

Once submitted this Full Application will go to the Textile Fund Investment Committeefor review and formal assessment. To submit please upload the form, prior to the Call deadline, to the submission portal; you may need to copy and paste this URL into your browser if the link doesn’t work.

[IUK Textile Fund Link](https://docs.google.com/forms/d/e/1FAIpQLSc1w0sLCtzb0-c8LPWOPb9U5sYpdUMedhWtf97Uc4QWc4E5mA/viewform?usp=sf_link)

The Innovate UK Textile Fund seeks to support innovative projects that will drive a company’s economic growth and support the transition of UK fashion and textiles industry to meet Net Zero deadlines. Applicants are asked to complete company information on the number of employees and turnover being declared and validated at the time of application, this will provide a baseline against which future progress can be compared.

**ELIGIBLE EXPENDITURE**

Only expenditure directly related to the delivery of project outcome will be eligible. This includes:

* Labour – employed staff working directly on the project.
* Overheads – Overhead elements should be restricted to those that will directly impact and support the project but cannot be identified as a direct cost.
* Materials – costs of materials to be used directly on your project.
* Capital Usage – for capital elements you can claim based on depreciation over the project delivery period[[1]](#footnote-1).
* Subcontractors – work carried out by third-party organisations that are not part of your project team.
* Travel and Subsistence – reasonable travel and subsistence costs for those individuals identified in the labour tab.
* Other – any direct project costs which are not covered in the previous cost categories.

Full guidance on eligibility under these cost categories can be found on the [UKRI funding website](https://www.ukri.org/councils/innovate-uk/guidance-for-applicants/costs-we-fund/).

**ASSESSMENT PROCESS**

All applications will be considered by the IUK Textile Fund Investment Committee, there are five members of this Committee who have been selected for their range of expertise within the fashion and textile sector and commercialisation experience. They are:

* Mr Adam Mansell – CEO, UK Fashion & Textile Association
* Mr Blake Prime – Head of Opportunities, University of Leeds
* Professor Stephen Russell – Director, Leeds Institute of Textiles and Colour, University of Leeds
* Mr Bill MacBeth OBE – Managing Director, Textiles Centre of Excellence
* Ms Irene Maffini – Sustainability VC Advisor, PDS Ventures

Each proposal will be judged against: identification of unmet need; market opportunity; innovative step; business case; scalability and business growth potential for UK beneficiaries; delivery plans; project outcomes & deliverables; financial plan costings; perceived value for money. These elements are positioned within three criteria:

(1) Project Concept

(2) Business Model

(3) Team and Partnerships

Textile Fund Investment Committee members are expected to use their judgement as to whether project delivery plans, costings, business models and commercial impact appear reasonable in light of anticipated outcomes. They will also take into consideration how well applications are aligned with UKRI Circular Fashion and Textiles Programme key themes.

Each Investment Committee member will score each of the three criteria either a GO (funding is recommended) or a NO-GO (should not be funded).

Applications will be treated as below:

3 x GO = recommendation to fund from an individual panel member

3 x GO from four or more panel members = recommendation to fund from the Panel

3 x GO from three or less panel members = to discuss at the Investment Committee

2 or more NO-GO from any individual panel member = do not fund

1 NO-GO from any individual panel member, where others have scored 3 x GO = to discuss at the Investment Committee

Where there are differences of opinion within the individual assessment process Investment Committee members will meet in a formal Panel session to discuss their decisions. The Panel meeting can come to a consensus as to whether to make a final recommendation to fund or not.

The Textile Fund Investment Committee members provide expert fashion and textile input into the appraisal process and their recommendations then go to the University of Leeds' Faculty Research and Innovation Office (FRIO) team for final due diligence. It will be the FRIO team who then send decisions through for Innovate UK for validation.

**INTELLECTUAL PROPERTY (IP)**

It will be a mandatory part of the contracting process for all project partners to sign a Research Collaboration Agreement. The handling of IP within projects funded by the IUK Textile Fund will be as follows:

* Background IP ownership will remain with the originator even after it is modified (e.g. if enhancements are made).
* Foreground IP will be contracted using a [Lambert Toolkit](https://www.gov.uk/guidance/university-and-business-collaboration-agreements-lambert-toolkit) template which has been pre-approved by the University of Leeds and Innovate UK. The clear intent is that the industrial partner will have the right to exploit the IP commercially and the academic partner may (with permission from the industrial partner) use the outcomes for teaching purposes. Where significant academic background IP is leveraged, this will be formally recognised within the Research Collaboration Agreement.
* It is the intention that innovations will be commercially exploited, where this occurs the industrial partner in a project will automatically have the right to exploit any IP generated without having to negotiate any further agreements.

**SUBSIDY CONTROL MECHANISMS**

IUK Textile Fund grants will be made under the [Subsidy Control Act 2022 (legislation.gov.uk)](https://www.legislation.gov.uk/ukpga/2022/23/enacted).

The awards are made under [Minimal Financial Assistance](https://www.legislation.gov.uk/ukpga/2022/23/enacted#:~:text=to%20subsidy%20schemes.-,CHAPTER%202,Minimal%20financial%20assistance,-36) and the [De Minimis Regulation](https://eur-lex.europa.eu/eli/reg/2023/2831/oj) 2023/2831.

Completion of Subsidy Control paperwork is a mandatory part of the project contracting process. All funding recipients will need to complete a declaration of any previous funding received within the application form, To comply with MFA guidance this amount cannot be more than £315,000 within a previous three year rolling financial period.

**Key Dates**

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| Call OpensDeadline for EOI Submissions[[2]](#footnote-2) | 11th June 202430th June 2024 |
| Submission Deadline | 31st July 2024 |
| Assessment decisions announced | Mid-August 2024 |
| Contracting period | Mid-August to Late-September 2024 |
| Project start date | 1st October 2024 |
| Project end date | not later than 31st March 2025 |

1. we would not commonly anticipate capital costs for IUK Textile Fund projects due to their duration of 4-6 months, inclusion of such costs would need to be clearly justified [↑](#footnote-ref-1)
2. Expression of Interest (EOI) submissions are strongly recommended but not mandatory [↑](#footnote-ref-2)