

North East Local Innovation Partnership Fund: Frequently asked questions

01/04/2026

Project Eligibility

Is there a minimum or maximum amount that a project can bid for?

- The NE Local Innovation Steering Group (LISG) propose a minimum and maximum project value for LIPF bids (£5m - £10m LIPF per project) as a guide, however this is not a hard and fast rule. Projects with a LIPF ask below £5m may submit bids. The portfolio must consist of a small number of large-scale projects to deliver benefits / impacts on a significant scale within the region's LIPF priority innovation clusters.

Are organisations limited to submitting one bid only?

- No, organisations may submit more than one bid.

Is it a requirement that bids are submitted by partnerships, or can they be submitted by an individual organisation?

- A single organisation may submit both LIPF project applications, as well as separate EOI(s) for the regional innovation projects pipeline (outside LIPF).
- When making this decision, please consider that the LIPF – a programme with triple helix partnerships at its core – primarily aims to grow high-potential innovation clusters. Projects will need to be able to demonstrate that they can help to deliver the outputs and outcomes set out on the logic model on page 5 of the [UKRI guidance](#), such as increased local innovation capacity and higher value jobs and skills development.

Clusters

Is there a required ratio for LIPF allocation across the three clusters?

- No fixed ratios but overall investment will need to support a balanced overall portfolio.

Can projects cut across the three priority clusters?

- Individual projects can target and support more than one of the three LIPF priority clusters simultaneously. Such projects will need to make a clear case demonstrating why cross-cluster innovation is needed, and the benefits this approach will deliver for the clusters.

Will projects be funded in all three priority clusters?

- There is no guarantee that LIPF will fund projects across all three of the North East's priority innovation clusters. The focus will be on supporting those projects with the greatest potential to deliver innovation-led economic impact in the region.

Geography

Must an organisation be based in the North East CA in order to be considered for our LIPF programme?

- Organisations (and project partners) based outside the North East may bid for LIPF and / or the regional innovation projects pipeline EOI. However, the innovation activity and the outputs, outcomes and impacts must be delivered and realised in the North East CA geography.
- Where LIPF project applicants are aware of similar projects operating elsewhere in the UK (for example, if there is a national facility undertaking similar RD&I), they should explain clearly in their bids how their proposals will complement and avoid duplication with these. This is important to show that the project will be a value for money investment at the UK level.

Intellectual Property

Are there defined intellectual property rules under LIPF?

- Successful project leads will need to have a formal collaboration agreement with their project partners at the point of accepting a formal grant offer letter. This should cover ownership of intellectual property and rights to exploitation.

Matched Funding

Can private sector salary costs count as matched co-investment?

- Yes. All or part of the **pro rata gross salary costs** of staff employed to deliver project-critical work are eligible as private co investment. This must not already be costed on the proposal or funded through other public sources.

Is there a required ratio between cash investment into industrial project staff costs vs cash investment into projects?

- No. **There is no target ratio** between direct vs indirect cash investment.

Is businesses apprenticeship levy an eligible source of private match funding?

- Apprenticeship levy funding **cannot** be counted towards the match funding requirement. This is because it would not be truly additional – levy funds are public funds (or ringfenced employer funds) dedicated to a specific regulatory purpose.

What counts towards the private–public investment ratio?

- Only cash or cashable private sector contributions count towards the private to public investment ratios set out in the published guidance. These are set at the **portfolio** level and are 1:1 in the delivery phase and 2:1 (preferably 3:1) over the programme’s 7-year reporting period.

Is private match funding expected upfront?

- You are not expected to have all your intended co-investment upfront but it should be clear in your proposal what is already committed and what you plan to secure later. If the co-investment is to be secured later, the panel will want to understand your plan for doing this.
- You will not need to provide letters of support or similar supporting evidence for the panel. However, you should keep a clear record as this information is likely to be required in due course.

When will project applicants be expected to provide further information/ detail on their projects?

- UKRI will request further information (for example, a more detailed financial breakdown) from successful project leads as part of due diligence before awards are granted.

Does co investment have to demonstrate strategic partnership?

- Yes. UKRI emphasises that co investment should:
 - Represent genuine strategic collaboration
 - Clearly and directly benefit the LIPF project
 - Share risk between partners
 - Align with UKRI's Trusted Research & Innovation principles.

Project Overheads

How do I calculate overheads? Is there a cap on overheads for projects?

- Research organisations should follow [TRAC principles](#). The funding will be at 80% FEC.
- Other organisations can claim 20% of their labour costs as overhead (this includes both direct and indirect overhead).
- As a benchmark, we advise no more than 3% of the total project costs being for OpEx/admin.

Subsidy

What are the subsidy ratios?

- UKRI expects most, if not all, subsidies made through the LIPF to be in scope of the Research, Development and Innovation Streamlined Route. [Government's guidance](#) on this route sets out the scope of subsidies in this route and the percentage of costs that can be covered by UKRI, which will vary depending on firm size and activity. If you are planning to make a subsidy that would fall outside of this route, you must tell UKRI as soon as possible.

Do businesses subsidy contributions count as co-investment?

- The organisational subsidy contribution (which will vary depending on firm size and activity) is a legally required project cost contribution and does not count

toward LIPF's co-investment targets, which are about generating *additional* investment.

Project Assessment

How will projects be assessed?

- The North East CA, on behalf of the NE **Local Innovation Steering Group** (LISG), will put forward a shortlist of projects for review by a UKRI independent expert panel. The possible assessment outcomes are:
 - Project is supported with no caveats. Subject to endorsement by the LISG, the project can proceed to LIPF due diligence.
 - Project is supportable but requires refinement / improvement. Detailed feedback will be provided to the LISG, and depending on the level of changes required, the project may be asked to update the proposal for a final light-touch review or be asked to re-submit it to a future panel.
 - Project cannot be supported by LIPF because it has major issues / weaknesses or falls outside of its scope. Detailed feedback will be provided to consider next steps.

What is the process that will follow the panel review?

- UKRI will provide the panel's detailed feedback on all projects NE LISG, who will make final decisions on which projects will be put forward for LIPF funding.
- Once the final projects are agreed, UKRI will carry out due diligence checks with the project applicants, before entering into grant funding agreements.
- Both the UKRI assessment panel, and the NE LISG, have conflicts of interest procedures in place to ensure objective and independent decision making.

Projects not supported by LIPF

Will there be alternative funding opportunities for projects whose applications for LIPF are not successful?

- The North East CA as well as UKRI will be exploring other potential funding opportunities and facilitate connections with relevant sector leads
- Projects submitting an LIPF bid that are not selected for LIPF funding will be added to NECA's regional innovation projects pipeline. This will allow projects to be considered for any suitable alternative funding opportunities in future.
- There are no fixed eligibility criteria for the innovation projects pipeline EOI process. Eligibility for funding would reflect the rules / requirements of any future funding opportunities that each project may be matched to.

Funding Arrangements for Successful Projects

How does LIPF funding flow to partners?

The funding flow varies depending on what type of organisation is leading the project:

- **Non-research organisation-led projects (e.g. a business-led project):** UKRI (via Innovate UK) will fund **each project partner directly**.
- **Research organisation-led project (e.g. a university-led project):** UKRI will fund **the lead project partner (research organisation)**, which will distribute funding to the other partners.

Is there a single payment schedule?

- Awards to research organisation-led projects (delivered through UKRI's TFS system) will be done quarterly against an agreed payment schedule, at the end of which they will need to submit a final expenditure statement. Given the duration of the award, there will be some additional checks along the way. The profile tends to remain the same until the end of the award unless there are significant changes that would trigger re-profiling.
- Awards to non-research organisation-led projects (delivered through IUK's IFS system or via an anchor entity) will be done quarterly in arrears via claims. The profiles will be adjusted quarterly depending on the received claims.

Tracking Impact and Monitoring

Would temporary jobs including sandwich year students count towards jobs created?

- Yes, temporary jobs can be counted, but please make it clear that they are temporary.

How will industrial co investment be monitored?

- Monitoring will take place quarterly. UKRI is finalising the detailed evidence requirements (e.g., payroll evidence, invoices, equipment valuations). Evidence will not be required at portfolio submission stage.
- Our monitoring and evaluation team are considering carefully what evidence will be needed to back up the reporting information provided. For now, please keep all relevant data in case needed for auditing.