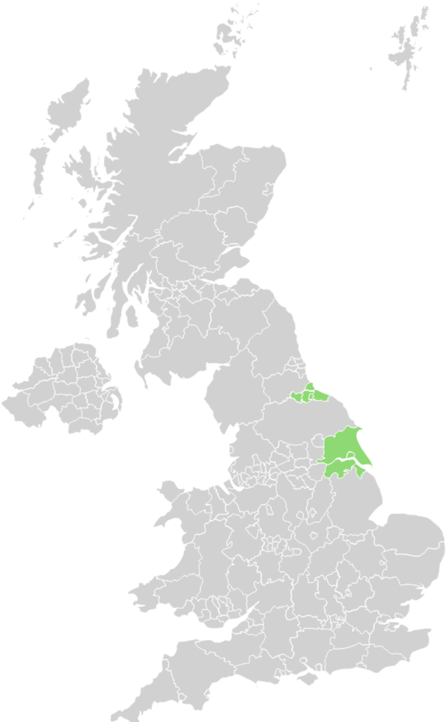
Help Shape a £90 Million Innovation Opportunity for the Tees Valley & Humber Regions

UKRI Local Innovation Partnership Fund

‘Humber and Tees Valley Portfolio for Industrial Decarbonisation and Clean Energy Innovation’



Hydrogen
Led by TBC
Potential Activities
Low-carbon (green) hydrogen
Hydrogen derivatives

Offshore Wind
Led by TBC
Potential Activities
Advanced manufacturing of turbine blades and towers
Applications of AI

Waste-to-X/ Sustainable Aviation Fuel
Led by TBC
Potential Activities
Waste-to-X demonstrator.
SAF Project Cluster

Carbon Capture, Utilisation, and Storage
Led by TBC
Potential Activities
Cross-industry CCUS test bed

Cluster Development
Building the 'soft infrastructure' necessary to accelerate knowledge flows and strengthen collaboration

Teesside University | Hull and East Yorkshire Combined Authority | TEES VALLEY | UNIVERSITY of HULL

Introduction

The Local Innovation Partnership Fund (LIPF) is a place-based funding pot of £500m from the UK Research and Innovation (UKRI) public body. The fund is designed to accelerate regional economic growth by supporting portfolios of innovation-led projects aligned to local strengths and strategic priorities. It brings together industry, academia and public sector partners in a 'triple-helix' model to deliver coordinated projects across key sectors. The goals of the LIPF are to:

- Grow high-potential innovation clusters across the UK
- Build capacity, capability and collaboration across UK innovation ecosystems
- Support adoption, diffusion, and commercialisation of new technologies
- Strengthen local partnerships for place-based innovation.

UKRI has allocated £30m to partners across the Tees Valley and the Humber to develop a portfolio of projects building on the strengths of the separately submitted Expressions of Interest; Future Industry Innovation Teesside Cluster (FIITC) and Humber Innovation Accelerator for Clean Energy (HIACE) submitted in February 2026.

The portfolio, with a working title of 'Humber and Tees Valley Portfolio for Industrial Decarbonisation and Clean Energy Innovation' seeks to deliver coordinated projects in hydrogen, offshore wind, waste to X, sustainable aviation fuel (SAF), carbon capture utilisation and storage (CCUS) and cluster development. We are seeking industry collaboration on activities within these project theme areas.

The LIPF is designed to support a broad range of research and development (R&D) activities that accelerate the conversion of research excellence into new products, services or technologies that deliver impact by increasing productivity, attracting investment, and creating high-value jobs. To qualify, projects must meet the criteria on eligible activities and demonstrate how they both support their priority clusters and deliver LIPF outcomes. Discovery or 'blue sky' research is excluded, but there is otherwise broad flexibility on what can be supported. The portfolio of projects is required to attract match funding from partners as outlined later and is subject to approval by UKRI. For further information on LIPF eligibility and scheme design, see Local Innovation Partnerships Fund guidance – UKRI.

Vision Statement

Create a globally leading partnership that unites innovation and industrial strengths to accelerate clean energy innovation and industrial decarbonisation, whilst ensuring energy security for the UK.

How to get involved

The Tees Valley and Humber LIPF partnership is seeking to work with businesses, industry partners and other stakeholders to co-design and deliver activities that support our shared ambitions for innovation, business growth and regional economic development.

We are currently exploring opportunities that align with the vision and objectives of the programme and would welcome proposals for activities where there is potential to collaborate through LIPF. To help us understand the opportunity and assess strategic fit, please provide high-level details in response to the questions below, including the challenge or opportunity being addressed, expected impact, delivery approach, resource requirements and indicative costs.

All submissions that meet the core eligibility requirements of the LIPF programme—including delivery by March 2031, alignment with the clean energy and industrial decarbonisation sectors, the generation of innovation and R&D activity, and the ability to attract industry leverage(match) —will be reviewed by the joint Humber and Tees Valley Programme Board against the assessment criteria set out within Appendix 1.

Applicants will be notified by email by 10th August at the latest, if their proposed activity has been shortlisted to progress to the next stage of development.

You will not be required to submit a further application. Instead, shortlisted proposals will be developed as part of a wider programme portfolio submission, which will be submitted to UKRI on behalf of the Tees Valley and Humber partnership by the end of August 2026, the assessment criteria can be found in Appendix 2.

This will be a co-design process, and we will seek input from your organisation to ensure the proposal is shaped effectively and reflects the intended outcomes and impact of the activity. We may explore merging bis where they are complementary. Subject to agreement from all parties.

The timeline is outlined below:

- 27th July 2026 – Industry to complete this Industry Collaboration Interest Form showing activity within the region and email with appendices to LIPF@tees.ac.uk
- 10th August 2026 – submitted projects informed of outcome, at the latest.
- August 2026 – Combined programme teams to write the portfolio bid including all 5 projects.
- September 2026 – Submission of the portfolio to UKRI
- October 2026 – Outcome of UKRI decision and money allocated to projects.
- December 2026 – Further submission to UKRI and clarifications, if required.

Where proposals are not successful for progression, the joint Humber and Tees Valley programme team will notify you of potential next steps. Unfortunately, we can't fund all activities and we would like to keep you informed and involved for future funding opportunities.

The Funding

The Humber-Tees portfolio has been awarded £30m of the £500m grant pot from UKRI. Over the 5 year UKRI funding period we are required to demonstrate further investment and in-kind support of at least £30m with a further £30-60m over the 7 years of the LIPF monitoring period.

The portfolio submitted to UKRI will be made up of a set of five projects, each of which may contain several activities. Projects have been themed around identified regional industrial decarbonisation and clean energy priorities:

- hydrogen,
- offshore wind,
- waste to X/ sustainable aviation fuel,
- carbon capture utilisation and storage and
- cluster development.

Activities are the key work packages or components of each of the projects. Each activity should represent a distinct and substantial set of tasks with a clear objective, deliverables, timeline, and associated costs. They are typically expected to involve a UKRI funding contribution of over £1m, although smaller activities may be incorporated into the Cluster Development project. In this application form, we are asking you to submit your proposals for activities, which we will work with you to embed into our project themes.

Industry Leverage (match)

LIPF is aimed to derisk innovation, but to do so requires industry leverage. The LIPF leverage funding requirement throughout the duration of the portfolio (until 31st March 2031) is 1:1 – LIPF: private sector leverage. Over the course of the 7 years of reporting (until 31st March 2033), it is expected to be 1:3 LIPF: private sector leverage, indicating the impact of investment in the regions.

To meet the 1:1 industry match requirement, we are actively seeking applications for activities which can demonstrate co-investment (cash and in-kind) of over £500,000. We would be happy for to receive interest from businesses with smaller activities, but please be aware that industry leverage is a key scoring criterion outlined in appendix 1 and may not be shortlisted.

Data Sharing

Please be aware that this document will be shared between Triple Helix partners but will remain confidential. If you require non-disclosure agreements (NDAs) please get in touch and we shall facilitate this.

You can download the Teesside University Data Sharing Policy here: Data Protection Policy

You can download the Hull and East Yorkshire Combined Authority Data Sharing Policy here: Privacy Notice – Hull and East Yorkshire Combined Authority

You can download the Tees Valley Combined Authority Data Sharing Policy here: Data Protection - About

You can download the University of Hull Data Sharing Policy here: Data Handling and Security | University of Hull

Further information

We are hosting a webinar to launch the interest form and to go through the interest form on Thursday 9th July at 2pm, this will be recorded and available for review at anytime.

https://www.eventbrite.com/e/local-innovation-partnership-fund-tees-valley-and-humber-tickets-1993334521212?aff=oddtdtcreator

We are also offering 30-minute time slots with our full stakeholder engagement team across the Tees Valley and Humber regions: Ellis Marshall, Harry Baross, Katie Hedges and Jessie Baguley:

Wednesday 15th 9:00 – 17:00

Wednesday 22nd July 9:00 – 17:00

Please message Ellis Marshall (see details below) for either an in person meeting in the Tees Valley, Humber regions or online *via* teams.

All the best,

Humber & Tees Valley Stakeholder Engagement Leads

Dr Ellis Marshall

Business Partnership Manager
Teesside University
e.marshall@tees.ac.uk
07796 707692

Harry Baross

Energy Security Programme Manager
Hull and East Yorkshire Combined Authority
harry.baross@hullandeastyorkshire.gov.uk

Jessie Baguley

Net Zero Innovation Cluster Coordinator
Tees Valley Combined Authority
jessie.baguley@teesvalley-ca.gov.uk

Katie Hedges

Director of Low Carbon Strategy
Catch on behalf of the University of Hull
katie.hedges@catchuk.org

Appendix 1 - Scoring guide

Criteria	Weighting	Assessed Section	Score
Strategic and Portfolio Alignment • How well does the proposal align with the stated sectoral project themes? • How well does the proposal align with wider strategic priorities within the Humber, Tees Valley, and nationally, e.g. the Mission Statement, Local Growth Plans and Industrial Strategy? • To what extent will the proposal support a long-term triple-helix innovation ecosystem across the Humber and Tees Valley through collaboration and enabling onward activity? • How well does the proposal align with UKRI requirements? • How far does this proposal drive ambition and opportunity for the regions?	25%	Section 2: Activity Overview Section 3: Outputs, outcomes and impact	
Economic Impact • What economic benefits will the proposal bring in the 5-year delivery period and beyond the completion of the proposal, e.g. job creation and productivity gains? • To what extent does the activity and its outcomes provide additionality? • To what extent does the proposal demonstrate genuine advancement in innovation that has potential for economic growth?	25%	Section 2: Activity Overview Section 3: Outputs, outcomes and impact	
Deliverability – Project	25%	Section 4: Activity Delivery Plan	

• Is there a clear plan for delivery and management of the proposal within the 5-year funding period? • Are the risks and dependencies of delivery well understood and well managed? • Is there evidence that the proposal is likely to succeed in delivery and in attaining its outputs and outcomes?			
Deliverability – Industry Leverage • How much and at what ratio is the industry leverage aligned with this proposal? • What level of certainty is there in the leverage, and how well does it align to the required timelines?	25%	Section 5: LIPF Grant	

Scoring guidance:

0	Not met	No evidence provided, or response is wholly inadequate
1	Very weak	Major weaknesses, very limited confidence in the proposal
2	Weak	Some relevant points, but significant gaps or concerns remain
3	Adequate	Meets the criterion at a basic level, with reasonable evidence
4	Strong	Clear, well-evidenced response with only minor weaknesses
5	Excellent	Highly convincing, detailed, and well-evidenced response with no material weaknesses

Appendix 2 - Assessment Criteria for Portfolio assessment by UKRI

Full Application Questions per project theme:

1: Portfolio summary (word limit: 500 words) In plain language, provide a summary that can be used to identify the most suitable experts to assess your project portfolio. Clearly describe your proposal in terms of:

• An overview of the projects put forward and the selection process.

• Where relevant, how individual projects complement one another and how the portfolio as a whole creates additionality.

• How the portfolio reflects both short-term deliverability and long-term impact aligned to economic and innovation objectives.

2. Opportunity and analysis (word limit: 500 words) What is the opportunity you are looking to exploit or what challenge will your project address? What assessors are looking for:

• Project description: Summarise what the project is and what it aims to achieve.

• Market opportunity: Describe how the proposed project will address a business need, technological challenge or exploit a market opportunity.

• Strategic fit: Set out how the proposed project links to identified priority clusters, strategic vision and innovation priorities set out within the readiness check.

3. Project owner and delivery (word limit: 500 words) Why are you the right individual or team to successfully deliver the proposed work? What assessors are looking for:

• Responsibilities: Highlight the roles of any partners, collaborators, or stakeholders who will support the project's delivery.

• Experience: Demonstrate the qualifications, skills and experience, and capabilities of the project team, highlighting their track record in successfully delivering similar projects.

4. Pathway to development (word limit: 500 words) How would your proposed project progress the innovation towards its intended user(s) or market(s)? What assessors are looking for:

• Development plan: Explain how the proposed project will lead to the development or deployment of a new or improved product, service, or technology.

• Timeline and phasing: Outline project start and end dates, with key milestones and deliverables, and how it will be delivered within the timeframe of the LIPF. Examples of supporting evidence:

• Gantt chart or timeline: A visual timeline showing key project phases, milestones, and timelines for delivery.

5. Local economic impact (word limit: 500 words) What is the intended uplift in growth and/or productivity as a result of the activities proposed? What assessors are looking for:

• Outputs: Provide an overview of the economic benefits delivered by the project, including job creation, productivity improvements, and gross value added.

• Impact: Quantify the potential impact where possible, using data or projections to show how the project will affect local employment, business activity, or other key metrics.

• Outcomes: Describe how the project will contribute to local or regional economic growth and align with economic objectives. Examples of supporting evidence:

• Output/metrics tables: providing evidence on how the outputs and impact have been calculated for each project.

6. Risks (word limit: 500 words) What are the main risks for this project?

What assessors are looking for:

• Primary risks: Identify the key risks associated with project delivery and the strategies in place to mitigate or manage these risks. Examples of supporting evidence:

• Risk management plan: outlining the identified risks, likelihood and mitigation measures.

7. Resources and cost justification (word limit: 500 words) What will you need to deliver your proposed work and how much will it cost? What assessors are looking for:

• Resources required: Provide a breakdown of what is required to deliver the project including staff, funding and other key inputs.

• Match funding: Demonstrate how the project will leverage follow-on private sector investment in order to bring future sustainability. This criteria is set out in section 3.

• Budget: Present a budget that outlines the cost of each project phase and justifies how the funding will be allocated. Examples of supporting evidence:

• Budget breakdown: an itemised budget showing the cost of each phase, category of expenditure and any additional funding or in-kind contributions

Appendix 3 - Further guidance: private sector leverage in the LIPF

Aims and objectives

The Local Innovation Partnerships Fund (LIPF) aims to grow high-potential innovation clusters across the UK – driving economic growth, stronger innovation capacity and capability, and higher value jobs and skills.

Catalysing additional investment from the private sector[1]

[1] We define the private sector as businesses and non-public funders, by which we mean organisations that do not receive core funding from UK government. For example, we consider privately funded charities or philanthropic donors private, but not universities or Horizon Europe.

('private sector leverage') is vital to maximising this impact. Each region's LIPF portfolio is therefore required to generate a minimum private to public investment ratio of 1:1 during the programme's five-year delivery phase (financial years 2026/27 to 2030/31) and a minimum of 2:1 – ideally 3:1 – across its seven-year reporting period (financial years 2026/27 to 2032/33).

Types of private sector leverage

LIPF's seven-year reporting period means that projects should be able to attract and incentivise private sector leverage in a range of ways. Some of these may already be known at project inception, such as pledged contributions from businesses. Others will take longer to generate. We do not expect projects to secure all their additional investment upfront; what is important is a clear plan for generating it.

In the short- to medium-term, we expect projects to attract:

- **Co-investment,** whether cash or verified in-kind contributions, committed at the start of the project.
- **Follow-on investment** from private sector organisations involved in the project or secured by the team because of the LIPF investment (whether during or after the project).

In the longer term, we expect projects to attract:

- **External investment** in LIPF-supported businesses (including new start-ups or spin-outs), such as venture capital investment, debt finance, or mergers and acquisitions activity. This is more likely after the project ends, where external funders are investing in a company rather than a specific idea funded by LIPF.
- **Indirect investment** generated through secondary effects on a local economy, such as spillover or cluster impacts. As these effects are more diffuse and harder to measure, we would expect to find them at the impact evaluation stage.

Tracking private sector leverage

To ensure each LIPF portfolio and the overall LIPF programme meets its private sector leverage targets, we will need to track progress regularly and consistently. We will do this through a combination of quarterly monitoring (for short- and medium-term types of investment) and annual monitoring and / or impact evaluation (for longer-term types). All projects should be able to break down their monitoring reports by source (for example, business or third sector) and be able to provide evidence on request to back them up.

Given the difference in timeframes, what follows below is more detailed guidance on what is 'countable' towards the types of leverage we expect to track in the short- and medium-term only – namely private co-investment and follow-on private investment.

Countable co-investment and follow-on investment

To count towards the LIPF's private leverage targets, all co-investment and follow-on investment must be from businesses or non-public sources (see footnote 1). Both UK and overseas sources are valid.

These investments can either be cash or a verified type of in-kind contribution, as set out below. However, they must be specifically for the purpose of research and innovation and attributable to the LIPF project. Future revenue streams, supplier discounts, and investment already committed as leverage on other (non-LIPF) public funded grants are not countable.

Countable cash contributions:

- A cash donation provided to the project in line with its objectives. This would include the contribution a business is legally required to make to receive a subsidy through the LIPF.
- Recurrent cash or grant funding for ongoing project activity.

Countable in-kind contributions:

New equipment purchases dedicated to the project's objectives and critical to delivering project activity. Where the equipment has a life exceeding the project duration, the remaining depreciated cost of the equipment should be deducted, unless it can be shown that the partnership will benefit from its use after LIPF ends. The equipment must be available to project members as required for the project. Access to the equipment does not have to be restricted to the project members, but only the value equating to the time used for the project can be counted towards the ratio requirements.

- Equipment / products produced by a partner at the cost of manufacture.
- Equipment-specific consumable materials (for example, material used in 3D printing) at the cost of manufacture.
- Access to specific equipment and facilities critical to achieve the outcomes of the project, such as access to labs and use of lab equipment, or floor space in another environment relevant to the work of the project. If the facility is owned or managed by a project partner, the contribution must be at the internal (cost) rate.
- Facilities refurbishment, if the upgrade will increase the capability of the facilities. This contribution must be justified in addition to any estate costs already factored in.
- All, or part of, the pro-rata gross salary cost associated with people employed on the project to do work critical to its delivery (for example, research or innovation staff, technicians or specialists, or professional staff with an enabling function). This must not already be costed on the grant or through other ineligible public sources.

Appendix 4 – Key Indicators

Monitoring process – Core Quarterly Indicators that UKRI will use to monitor projects. This is not an exhaustive list and we are in a co-design phase with UKRI so there may be regional indicators at a later date.

- Spend profile
- Relevance of activities to Industrial Strategy (IS8) sectors
- Percentage of activities on track against project targets
- Matched co-investment awarded
- Further funding awarded
- Number of spin outs created
- Number of directly created jobs in each IS8 sector
- Infrastructure or equipment in progress / created / delayed
- Products or services created
- PhDs studentships created
- Fellowships started
- Apprenticeships started
- Number of engagement events between partners and stakeholders, by organisation type and IS8 sectors
- Number of new or improved triple helix partnerships, by organisation type and IS8 sectors

Appendix 5: SMART Objectives

Objective 1: Innovation and Commercialisation

By March 2031, support the development, demonstration or commercialisation of clean energy innovations across CCUS, Hydrogen, SAF, Offshore Wind and Waste-to-X technologies, resulting in an increase in technologies progressing towards market deployment and commercial adoption.

Measures:

- Number of innovation projects supported
- Number of technologies demonstrated
- Number of technologies reaching commercial deployment
- Number of collaborative R&D projects delivered

Objective 2: Infrastructure and Enabling Technologies

By March 2031, invest in and establish a portfolio of shared innovation infrastructure, test facilities, demonstrators and enabling technologies that are accessible to businesses, researchers and innovators across the “Tees-Humber” Cluster.

Measures:

- Number of shared innovation assets created or enhanced
- Number of businesses accessing infrastructure
- Utilisation rates of facilities
- Number of collaborative projects enabled through shared infrastructure

Objective 3: Investment and Business Growth

By March 2031, generate significant additional public and private investment into clean energy innovation and deployment, supporting business growth and strengthening the region's position as a globally competitive clean energy cluster.

Measures:

- Private investment leveraged (£)
- Follow-on investment secured (£)
- Number of businesses supported
- Number of businesses introducing new products, services or processes

Objective 4: Cluster Collaboration and Supply Chain Development

By March 2031, increase collaboration between SMEs, major industrial players, universities and RTOs, resulting in stronger regional supply chains, increased innovation activity and greater retention of strategic industrial businesses within the cluster.

Measures:

- Number of collaborative partnerships established
- SME participation rates
- Number of supply chain opportunities created
- Number of major businesses actively engaged within cluster programmes

Objective 5: Jobs, Skills and Productivity

By March 2031, increase the number of high-value jobs within the “Tees-Humber” Cluster through innovation-led growth, inward investment and supply chain development, whilst supporting workforce productivity and future skills requirements.

Measures:

- High-value jobs created
- High-value jobs safeguarded
- Gross Value Added (GVA) generated
- Number of people supported through skills development activity
- Productivity improvements reported by participating businesses