



Assessor Briefing Innovation Continuity Loans – Strand 3

Date: 28th January 2021

The webinar will be starting at 15:30. We are currently on mute, whilst waiting for more people to join. We will conduct a sound check before the briefing starts.

Please ensure that you are dialled in, either by computer or phone, so that you can hear the briefing

If you have any audio issues, please dial in from a fixed line.

All assessors will receive a copy of the slides and the webinar recording

Agenda

- **Welcome and introductions**
- **Scope of Innovation Continuity Loans**
- **The Innovation Funding Service**
- **Competition questions, assessment process and process Q&A**

Welcome and Introductions

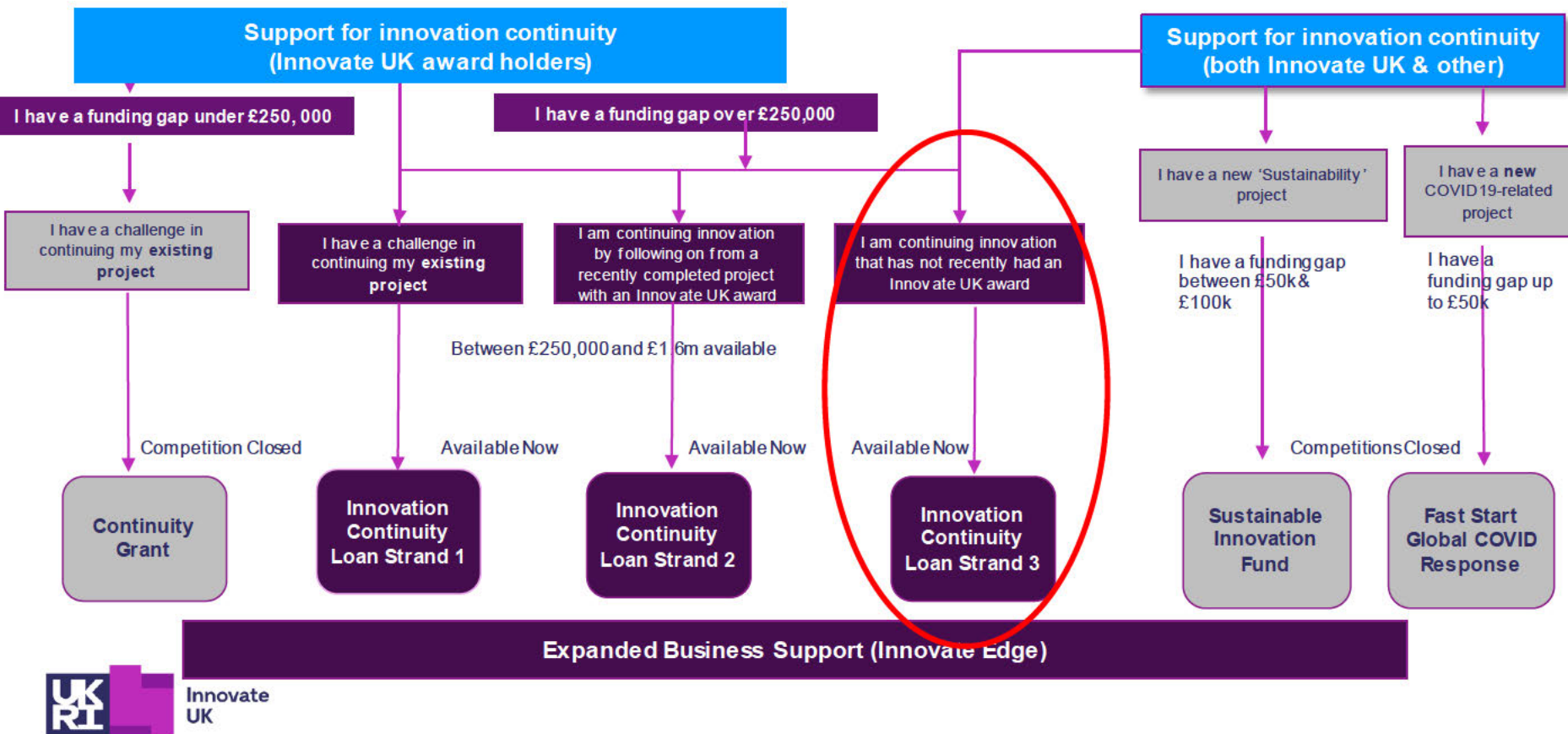
- [REDACTED]
- [REDACTED]
- All assessors are required to receive this briefing prior to assessing in this competition
- This session is being recorded and will be sent to all assessors for your future reference throughout the assessment process



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Scope

Innovate UK Covid-19 Response Offer



Innovation Continuity Loans

Your role

Innovation

- Funding for costs of R&D (up to 31st March 2022)
- A defined **project**
- **Assessed as high innovation quality**

Continuity

- Threat to innovation activity stalling or ceasing
- From the economic impact of Covid-19 pandemic

Loans

- £250k to £1.6m for up to 7 years
- Interest payable quarterly
- **Repayment** required
- For **suitable** SMEs

Credit team's role

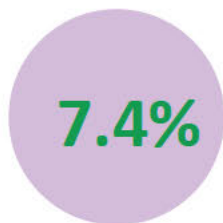


Innovation Continuity Loans

Funding for applicants to continue and complete innovation activity despite the impact of the COVID-19 pandemic



Single Applicants:
SMEs & 3rd sector
organisations



Below-market
interest
rate



Flexible & patient
Up to 7 years



Eligible project
costs /
Additional
reasonable
R&D costs



Loan size
£250k to £1.6m

What are we looking for?

We are looking for businesses who can demonstrate that their innovation activities have the best potential for the future

The application is evaluated on:

- The quality of their project
- Our judgement on the suitability of their business to receive a loan

We look for applications that show:

- an appropriate and evidenced borrowing proposal from a suitable business
- a clear route to commercial success
- a strong management team
- why they need additional public funding in order to carry out their project
- evidence of loss or damages due to the COVID-19 pandemic such as reduced access to capital, cancelled orders or increases to their costs
- why they are unable to fund the project from their own resources or other forms of private-sector funding amidst the current financing disruptions caused by the COVID-19 pandemic
- confirmation and evidence that they were not an undertaking in difficulty as of 31 December 2019 or that they are exempt as a micro / small company
- that this funding will enable the project to continue and complete during the COVID-19 pandemic.

Innovation Continuity Loan

Strand 3

Projects without Innovate UK support

Strand 3: Project without previous support from Innovate UK

- Project that continues, completes or follows on from innovation activity not supported by Innovate UK in the last 3 years
- SMEs and Third Sector Organisations
- Organisations that can commit to continuing project delivery
- £250k to £1.6m for up to 100% of unfunded project costs and reasonable additional R&D costs
- Highly innovative project with a clear route to market and economic impact – independent assessment
- For companies that can evidence loss or damage due to Covid-19
- Suitable for a loan

Innovation Continuity Loans – Interest/ Structure

- Availability Period **Maximum 12 months (draw by 31 March 2022)**
- Extension Period **Maximum 2 years (or first commercial sale)**
- Repayment Period **Maximum 5 years**

BUT

Maximum loan term 7 years

- **Below-market interest rate of 7.4%, with no fees or charges**
 - Interest rate during Availability and Extension periods - 3.7% payable with 3.7% deferred till Repayment Period
 - Interest rate during Repayment period - 7.4%

Innovation Continuity Loans: Security / Covenants

- Template loan agreement
- Mortgage debenture / 'senior subordinated'
- Covenants
 - ✓ Liquidity Ratio of 1.1x throughout the loan
 - ✓ Debt Service Coverage Ratio of 1.2x throughout the repayment period
 - ✓ Project monitoring
 - ✓ Quarterly management accounts
 - ✓ Annual accounts (within 6 months of year end)
- Summary of loan agreement in Terms & Conditions: please review

Business Information – Early Metrics

Completion of financial spreadsheet and provision of historical and forecast financial information.

Questions:

Business Overview

- What is your business, core product offering / value proposition? How will it be impacted by this project

Loan request

- What loan amount and period do you require?

Human resources / company structure

- Who are the founders / management team, what experience do they have and what is the management structure?

Commercial activity

- What is the past, current and forecast commercial activity / customer base / sales channels / domestic and international?

Product development

- What is the past, current and forecast stage of development of your technology and plans for future developments?

Finance and fundraising

- What is the financial situation for your business and why do you need public funding?

Growth challenges

- What are the main challenges and risks to your business growth?



Introduction:

Introduction: Innovate UK can provide additional COVID-19 innovation continuity loan funding for the continuation of planned or existing innovation activity

Innovate UK is working with Early Metrics in the application process for innovation continuity loans. Applications will cover the eligibility and the suitability of the business to receive a loan. These questions, including the 'startup high growth index' survey, will focus on the whole business and how suitable your business is for this loan opportunity. You can download a PDF copy of the full survey [here](#). This survey will require you to upload historical and forecast financial information on your business using a template so that we can evaluate if you are suitable for a loan. You must also submit a project proposal on our [Innovation Funding Service](#) that will be evaluated by our innovation teams. We expect that it will be helpful for you to complete the financial information before answering the questions about the requested loan amount and period and to use this information to help you decide whether or not to apply. Please use the following link to download this template: http://go.innovateuk.ukri.org/ica_finance_information Download it to Excel and upload it when required in the survey.

Only organisations that are successful in this application will be offered an innovation continuity loan. The final terms of any loan offer will be decided by the Innovate UK Loans Ltd credit committee and may differ from the amount and term requested in this application.

- Survey format
- Narrative questions for evaluation of business suitability for a loan
- Detailed information for high growth start-up index ranking



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Innovation Funding Service (IFS)

Assessor Dashboard

- You will receive an email notifying that you can review the applications you have been allocated
- Log in to your account
- Select the competition title

Assessor dashboard

Invitations to assess (1)

[Sector infrastructure competition](#)
You have been asked to assess this competition. Please respond.

Assessment period
Begins 7 April 2017
Ends 7 April 2017

Competitions for assessment (1)

[Sustainable livings models for the future](#)
3 applications awaiting acceptance | 1 applications to assess

18446
days left
Deadline 28 January

Upcoming competitions to assess (1)

[APC8](#)
Upcoming competition

Assessment period
Begins 9 October
Ends 10 October

Your assessor details

- [your skills](#)
- [your declaration of interest](#)
- [your assessor agreement](#)
- [travel and subsistence rates](#)

Getting started

- You can click the link to read the application and then accept or reject the assessment
- You will have to accept the applications by the date specified

Sustainable living models for the future

Competition:

[Redacted]

Innovation Lead:

[Redacted]

Accept applications deadline:

12:00pm Thursday 12 January 2068

Submit applications deadline:

12:00pm Saturday 28 January 2068

[View competition brief \(opens in a new window\)](#)

View the brief before accepting applications

Applications for assessment (4)

[Redacted]	Pending	Accept or reject
[Redacted]	Pending	Accept or reject
[Redacted]	Pending	Accept or reject
[Redacted]	In progress	

Viewing applications

- All the information you need to review the application is contained within each question heading
- You can see a detailed breakdown of finances

Assessment overview

Project details

These sections give important background information on the project. They do not need scoring however you do need to mark the scope.

Application details	No score required
Project summary	No score required
Public description	No score required
Scope	

Application questions

Each question should be given a score out of 10. Written feedback should also be given.

1. Business opportunity	Score 6 / 10	✓ Complete
2. Potential market	Score 7 / 10	✓ Complete
3. Project exploitation		
4. Economic benefit		

Conflicts of interest

If you are aware of, or think you may have, a conflict of interest which may impact on your ability to assess you can email to ask for advice or remove your own assessments on IFS

Direct Conflict – Cannot assess the competition	Indirect conflict – Can assess the competition, but not proposals with a conflict
You have been directly involved in the writing of the proposal.	You work for or with the company but had no knowledge, involvement, or you do not stand to benefit from the outcome of the application
You are part of the project or feel in any way that you are not able to independently and objectively assess an application.	You previously worked for an organisation or individual named in the application
Feel you could benefit (directly or indirectly) from either scoring the application well or scoring it poorly (for example as a direct competitor)	

To ask advice please email



Rejecting applications

▼ [Unable to assess this application?](#)

If you have discovered a conflict of interest or are unable to review this assessment, you can return this application to Innovate UK

Please select a reason for rejecting the competition

Select a reason ▼

Use this space to provide more information

Words remaining: 100

Reject

If you have a conflict of interest you can reject the application on IFS

Select a reason from the dropdown menu

Please select a reason for rejecting the competition

Please enter a reason.

Select a reason ▼

Select a reason

Conflict of interest

Not my area of expertise

Too many assessments

Market Abuse and Insider Trading

- Relevant when we have “inside information” relating to a company with publicly traded securities
- Broadly, includes unpublished and price sensitive information
- Knowing that an application has been made for an innovation loan may be inside information
- Information provided in an application may include inside information
- Unlawful market abuse includes:
 - Engaging or attempting to engage in insider dealing
 - Recommending that another person engage in insider dealing or inducing another person to engage in insider dealing
 - Unlawfully disclosing inside information (i.e. disclosure outside of the normal exercise of employment or professional duties)
 - Engaging in or attempting to engage in Market Manipulation (this offence also covers the manipulation of benchmarks)
- Civil and criminal law: Market Abuse Regulations (Regulation 596/2014) / s52 Criminal Justice Act 1993
- If in any doubt or to find out more about our Policy, contact Innovate UK Loans Ltd [REDACTED]



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Competition questions and assessment process

Competition criteria

Project eligibility	<ul style="list-style-type: none">✓ Company must be a UK-based business<ul style="list-style-type: none">✓ Must be collaborative✓ You must carry out your project in the UK<ul style="list-style-type: none">✓ Exploit the results from / in the UK
Loan amount	£250,000 - £1.6m
Project length	Overall project up to 3 years R&D expenditure phase: loan funding up to 12 months (latest drawdown 31 st March 2022)

Application Questions

5 Application Questions – max 800 words

- Project proposal
 - What is the business need, technological challenge or market opportunity behind your innovation?
What approach will you take and where will the focus of the innovation be?
- Market opportunity
 - What does the market you are targeting look like and how are you going to grow your organisation as a result of the project?
- Project delivery
 - Who is in the project team, what are their roles and how will you manage the project effectively?
- Project risks
 - What are the main risks for this project?
- Project costs and value for money
 - How much will the project cost and how does it represent value for money for your organisation and the taxpayer?

Summary and Public Description

Project summary

Project summary

This is the applicant response from Test One for Project Summary.

[Previous](#)
[Application details](#)

Public description

Public description

This is the applicant response from Test One for Public Description.

[Previous](#)
[Project summary](#)

[Next](#)
[Scope](#)

Research categories

Please select the research category for this project

Select the research category in which you feel the majority of the work packages fit, which determines the funding rate. Guidance is available at:

<https://www.gov.uk/guidance/innovate-uk-funding-general-guidance-for-applicants#categories-of-research-and-development>

Scope

- Yes/No answer
- Requires feedback comments for either response – please justify why
- You should still assess the application even if you think that it may not be in scope
- You should score the application on its merits even if you think that it may not be in scope

Scope

Please indicate whether this application is in scope for this competition.

How does your project align with the scope of this competition?

This is the applicant response from Test One for Scope.

Please select the research category for this project

Industrial research

Is this application in scope?



Yes



No

Feedback

Please justify your answer by writing 2 or 3 sentences which will be returned to the applicant as feedback.

[Guidance for assessing scope](#)

You should still assess this application even if you think that it is not in scope. Your answer should be based upon the following:

Yes The application contains the following: Is the consortia business led? Are there two or more partners to the collaboration? Does it meet the scope of the competition as defined in the competition brief?

No One or more of the above requirements have not been satisfied.

Questions 1 to 5

- Provide a score out of 20
- Guidance is provided
- Insert feedback comments

Business opportunity

Please review the answer provided and score the answer out of 10 points.

1. What is the business opportunity that your project addresses?

Question score

6 / 10

Feedback

Please justify your score by writing 2 or 3 sentences which will be returned to the applicant as feedback.

Guidance for assessing business opportunity

Your score should be based upon the following:

- | | |
|----------------|--|
| 9 to 10 | The applicants have a very clear understanding of the business opportunity and the problems that must be overcome to enable successful exploitation. The project is well aligned with these needs. |
| 7 to 8 | The applicants have a good idea of the potential market and opportunities. The needs of the customer are central to the project's objectives. |
| 5 to 6 | The business opportunity is plausible but not clearly expressed in terms of customer needs. |
| 3 to 4 | The business opportunity is unrealistic or poorly defined. The customer's true needs are not well understood and are not linked to the project's objectives. |
| 1 to 2 | There is little or no business drive to the project. The results are not relevant to the target customers or no customer interests are provided. |

Finance Summary Table

Funding

Finances summary

	Total costs	% Grant	Funding sought	Other public sector funding	Contribution to project
Lead organisation					
Total					

Project cost breakdown

	Total	Labour	Overhead costs	Materials	Capital usage	Subcontracting costs	Travel and subsistence	Other costs
Lead organisation								
Total								

Detailed finances

Funding

Finances summary

	Total costs	% Grant	Funding sought (£)	Other public sector funding (£)	Contribution to project (£)
██████████ Lead organisation	██████████	██████████	██████████	██████████	██████████
Total	██████████		██████████	██████████	██████████

Project cost breakdown

	Total	Labour (£)	Overhead costs (£)	Materials (£)	Capital usage (£)	Subcontracting costs (£)	Travel and subsistence (£)	Other costs (£)
██████████ Lead organisation	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████
View finances								
Total	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████

View finances

Finances

██████████ (Lead Partner)

Finances overview

Project duration	Total costs	% Grant	Funding sought (£)	Other public sector funding (£)	Contribution to project (£)
██████████	██████████	██████████	██████████	██████████	██████████

Detailed finances

Labour	██████████ +
Overhead costs	██████████ +
Materials	██████████ +
Capital usage	██████████ +
Subcontracting costs	██████████ +
Travel and subsistence	██████████ +
Other costs	██████████ +
Total project costs	██████████

Click the + to see more details

Detailed finances

Finances

██████████ (Lead Partner)

Finances overview

Project duration	Total costs	% Grant	Funding sought (£)	Other public sector funding (£)	Contribution to project (£)
██████████	██████████	████	██████████	████	██████████

Detailed finances

Labour ██████████ -

Working days per year 232

Number of staff and roles within the project

Role within project	Gross employee cost (£)	Rate (£/day)	Days to be spent by all staff at this grade	Total costs
██████████	████	████	████	██████████
██████████	████	████	████	██████████
	████	████		████
Total labour costs				██████████

Final question for assessors

- Do you believe this application is suitable for consideration by the Credit Committee of Innovate UK Loans Ltd?
- Yes/No answer
- Requires comments for both answers
- Additional comments – these are for internal use but may be released under the Freedom of Information Act

Do you believe that this application is suitable for funding?

☐ Yes ☒ No

Your feedback

Please explain your decision with a few sentences. This feedback will be sent to the applicant.

Large & potentially important project. However, "No" triggered to highlight confusions / inconsistencies in the proposal. If support, greater clarity should be sought.

Words remaining: 100

Do you have any other comments about this application? Your comments here will only be shared with Innovate UK. (Optional)

Please can Innovate UK double check the research category, as I think this is Experimental Development but they have selected Industrial Research.

Words remaining: 100

Feedback and scoring

- Feedback is provided to all applicants using the comments provided by assessors and individual scores may be released under the Freedom of Information Act
- **Please ensure that you provide constructive feedback for every question on the score sheet.** Do not be afraid of the extremes if you believe that the application warrants the score - 1 is the lowest score and 20 is the highest score possible per criteria.
- Ensure you are fair and equitable in your scoring. If you think that your scoring has changed during the duration of the assessment, go back & briefly review your initial assessments to ensure consistency.
- Remember to stay anonymous: do not refer to specific companies/people/projects or anything which might identify you or other projects

Constructive feedback

Constructive feedback addresses areas in need of improvement, **giving** the applicants the opportunity for improvement

- **Be specific with your feedback**
- **Comment on things which can be actioned upon**
- **Give recommendations on how to improve**
- **Don't make assumptions.**

Put yourself in the shoes of the applicant and imagine you had submitted an application..

How would the feedback below help in developing your application?



Good section

More figures needed

Sound concept

Good application

Good examples

Scored 3	It is unclear who the target customers are and what the value proposition will be. A possible route to market is mentioned. There is no information regarding potential revenue, profit or productivity growth.
Scored 8	The proposition is fairly clearly expressed. They understand the approach to value propositions. The feasibility will reinforce their knowledge.
Scored 9	The organisation is already well positioned in both Health and Social Care Markets. The long term approach is based on the approach taken with the previous product, giving confidence that the organisation will grow and increase productivity.
Scored 10	An excellent case has been made for the growth of the business in the long terms showing a responsible approach to the project and the business as a whole.

Write at length – advise what improvements could be made

Do:



- Back-up your scores, write at adequate length
- Highlight any points that need further clarification
- Describe the strengths and weaknesses
- Double check any matters-of-fact you quote
- Give clear, precise feedback
- Check your spelling, keep the language professional
- Refer to Innovate UK, not IUK

Don't:



- Paste in sections of the scoring matrix
- Cut and paste the same feedback into different applications
- Cut and paste the feedback into the wrong application
- Give single word feedback or give ambiguous, vague feedback
- Ask questions
- Write in the first person
- Use exclamation marks or use capital letters for emphasis

Scoring spread and outliers

- Each application will be scored by 3 assessors
- We will not be able to eliminate ‘outliers’ but reserve the right to request additional assessments if a inexplicable range of scores is apparent
- If there is a majority of “**No**” in either **Scope** or **Recommend** we will review the application and assessor feedback and if justified, the application will not be eligible for funding.

Data security

- Your scores should reflect your personal expert views against the criteria laid down in the guidance notes.
- You should not share this, or any other information with others and your scoring must be done independently.
- Please take care to ensure data security at all times.
- Please do not search for named applicants on LinkedIn or follow on links in the applications as you may identify yourself as an assessor

House keeping

Please send invoices to [REDACTED] using the invoice form

- Please include: Name / Competition / No of Assessments / Bank details / VAT / receipts where applicable
- **Please quote your assessor invoice number (8100) or your supplier number (SUP)**
- 1st competition – Finance will contact you to verify your bank details
- Please use your full company name to help us identify you
- Invoices must be submitted 30 days from the assessment close date

Rates: [REDACTED] per application

Competition Code: [REDACTED]

Timeline for assessment

Timeline	Times and dates
Applications to assessors	Close of business 29 th Jan
Assessor accepts	Noon 1 st Feb
Assessment deadline	Noon 9 th Feb



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Process Q&A

Contact

Conflicts, assessment issues, invoice submission or related queries:

Email: [REDACTED]

General competition related queries (including all IFS system queries)

Customer Support Service

0300 321 4357 (Lines open Monday - Friday 9:00am - 11:30am & 2:00pm - 4:30pm)

Email: support@innovateuk.ukri.org



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Thank you



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