

Innovation Continuity Loans Webinar
Unanswered questions

#	Question	Answer(s)
1	<p>My understanding is that the interest rate is 7.4% with, at the start of the project, half of that deferred. If the project is seeking commercial lending alongside the InnovateUK Innovation Loan, and that comes in at a lower interest rate will the InnovateUK loan match that commercial lending rate?</p> <p>That doesn't answer the question. The commercial lending may only come through based on public grant and lending. In the case that the commercial lending is a lower rate will the InnovateUK loan match that?</p>	<p>The interest rate is 7.4%, with 50% deferred in the availability and extension periods. That's set for all applicants. If you can get cheaper commercial debt, then you may not be eligible for public money as it might not be needed.</p> <p>The interest rate for ICLs is fixed for all borrowers and has been approved by Ministers.</p> <p>We will not vary the interest rate to match that available from commercial lenders, even if part of a larger funding package for a project/business</p>
2	<p>Hello, I am Dignesh from India. I am looking for a Ph.D. in Mechanical Engineering the European countries. What is the process of the UKRI fund for a Full-time Ph.D.?</p>	<p>Please consult the UKRI website (https://www.ukri.org/opportunity/) or apply to specific universities.</p> <p>Innovation continuity loans are not for individuals seeking funding for a PhD</p>
3	<p>Does Innovate UK place any value on EC H2020 Seal of Excellence Certificates as supporting document for ICL applications?</p>	<p>Formally no. However, I think it's fair to say that this would be helpful supporting evidence around the quality of the innovation.</p>
4	<p>Eligibility states that you must "have successfully completed a project supported by an Innovate UK award in the last 36 months". I am involved in a project that is still ONGOING and hoping to end February 28th 2021. Does this still make us eligible for a continuity loan? How do we approach?</p>	<p>An applicant with a project nearing completion may apply for an ICL for a follow-on project. The previous project must have been successfully completed before the ICL starts.</p>

Innovation Continuity Loans Webinar
Unanswered questions

5	<p>Can we apply now or do we have to wait until January 2021? To clarify, our current project completes this month. Do we need to wait until it finishes to apply for strand 2?</p>	<p>Applications can be made any time up to the closing date of 13th January 2021. Applications will only be assessed / evaluated after the closing date. An applicant with a project nearing completion may apply for an ICL for a follow-on project. The previous project must have been successfully completed before the ICL starts.</p>
	<p>What is the average turnaround of application to approval/ rejection?</p>	<p>Applications close on 13th January 2021. We aim to notify applicants if their application is declined or if it will progress to detailed credit evaluation on 19th February 2021. The time for detailed credit analysis and a final decision depends on complexity / responsiveness, however we require all loans to complete documentation and have first drawdown before 31st March 2021</p>
	<p>Is there a minimum revenue requirement?</p>	<p>There is no minimum revenue requirement. We consider the overall suitability of the applicant for an ICL</p>
	<p>Is a need to value the IP on the balance sheet to support the debenture.?</p>	<p>IP / intangible assets do not need to be valued. The debenture is a fixed and floating charge over all assets of the company, without ascribing any particular value. The loan does not depend on the value of the assets as security</p>
7	<p>Hello, can you still apply for the innovation loan if you have applied for Smart UK innovation grant (August 2020) and are awaiting results; and in the meantime you feel your business is also suitable for a loan? This question pertains to Strand 3 specifically</p>	<p>You can apply for funding in more than one competition, however we will not support the same project in more than one competition (except in strand 1 ICLs)</p>
8	<p>Is your approach to credit different for the continuity loan scheme as opposed to previous Innovate UK loan schemes? i.e. if you previously failed to secure a loan, might you stand a better chance through this scheme?</p>	<p>It's similar, if a little more streamlined. If you have been declined before but have considered the feedback and addressed it, we have seen applicants previously declined being successful subsequently.</p>

Innovation Continuity Loans Webinar
Unanswered questions

9	Is there any impact on the EIS status of companies when taking out a Continuity Loan?	My understanding is that aid under the temporary framework does not overlap with EIS. However, we cannot give tax advice and you should ask an expert on this.
10	Can a company 100% owned by a US company be eligible? Or does the parent company need to be UK based?	If you have an established presence in the UK and activity is happening here, this needn't be a barrier.
11	On IFS, the scope states that only industrial research and experimental development will be funded. Does this mean that a project with a commercialisation component is out of scope?	The ICL will only fund the R&D activity in the availability period. Post R&D / pre-commercial activity can be carried out in the extension period, but not funded through the loan. Commercial activity (e.g. sales & marketing) cannot be funded through the loan
	There is a discrepancy between the availability period on the earlymetrics survey and the excel sheet, with the former having 12 months (4Q) and the latter having 8Q. Which is correct?	The availability period has a maximum period of 12 months.
12	7.4% APR?	7.4% nominal.

Innovation Continuity Loans Webinar
Unanswered questions

<p>13</p>	<p>How will the application be assessed? Our experience of the InnovateUK assessment process is NOT good, the assessors have made factually incorrect statements in the feedback, as well as not assessing against the criteria of the scheme. The InnovateUK process for addressing that is not fit for purpose, and neither is the complaints process. If we make an application what confidence can we have that any erroneous assessment can be queried and that the substance of the query will be addressed.</p> <p>The question notes that the InnovateUK challenge and complaints processes are not fit for purpose.</p> <p>It's also worth noting that the InnovateUK assessor quality processes are also not fit for purpose, you review 10% of assessments - if there is a 1% error rate you only have a 10% chance of catching that. However if you reviewed the assessments on challenge then your chance of catching errors would be significantly higher and the cost lower (by avoiding the useless 10% review costs and outsourcing the quality assessment to applicants at no cost).</p> <p>BTW, teh fact that there are 4 likes for this question/comment clearly shows you have a process error that you aren't addressing.</p>	<p>Project proposals in strand 3 applications will be assessed using the standard Innovate UK process, except that only 3 assessors will be used, rather than 5 as in other competitions. The innovation will be assessed by independent assessors with experience in your innovation area. Assessors are briefed and given specific guidance on the scope of the competition, as well as a scoring matrix.</p> <p>Variation in assessor scores and comments does occur. The clearer the application, the less likely this is to happen.</p> <p>I'm sorry you've found that an issue in the past. The rules around challenging are set out in the guidance to applicants. Any complaints are addressed through our Complaints Officer and for ICL applications will also be reviewed by a senior member of the innovation loans team.</p>
<p>14</p>	<p>Can you apply for a continuity loan and a grant for the same project in parallel, obviously only accept one if you are awarded both?</p>	<p>You can apply for both if hedging your bets is the best strategy for you! Please ensure you meet the eligibility and scope criteria in each competition - in ICLs, please remember the focus on "continuity" that may not be as relevant in other programmes</p>

Innovation Continuity Loans Webinar
Unanswered questions

15	Hi, is the project timeline only one year ? from March 2021 to March 2022?	We define the "project" as the availability period and the extension period. The availability period will need to be completed within the 12 month period, although the extension period can go beyond this, given no further drawdowns are made in that period.
16	I am currently working on project, it ends soon and want to know if I can apply for funding to continuing the next steps of development, piloting and commercialiation. Can I apply?	An applicant with a project nearing completion may apply for an ICL for a follow-on project. The previous project must have been successfully completed before the ICL starts.
17	So as these are “project” based, can a single company apply for multiple loans to support different projects? And is each project capped at 1.6m, or is the loan cap per company?	Only one application can be made in each competition. The maximum loan for each project is £1.6m
18	Can you explain the UID ruling for strand 2 please?	The approach to 'undertakings in difficulty' is described in the competition brief. https://apply-for-innovation-funding.service.gov.uk/competition/779/overview#eligibility
19	Online it reads that the project for the loan (upto £1.6m) should last no longer than 3 years, with the first 12 months for R&D. However, you stated that this is actually for a 1 year project to be completed by Mar'22 - can you please confirm this is correct?	We define the "project" as the availability period and the extension period. The availability period will need to be completed within the 12 month period, although the extension period can go beyond this, given no further drawdowns are made in that period.
20	Can a continuity loan be used to fund the 20% project costs a company has to pay when holding an Innovate UK grant (which funds 80% of the project costs)?	Yes, under Strand 1 on the assumption that your ability to meet your contribution has been scuppered by COVID.
21	If we have questions pror to our loan application, who is the best person to direct questions too?	If the question is not covered in the competition brief and guidance for applicants, it always best to direct via the Innovate UK Customer Support Services team. They can refer any questions to our team and will chase us rigorously until we answer.

Innovation Continuity Loans Webinar
Unanswered questions

22	If we already have an existing project being funded. Can we apply for continuity loan, to cover another project that does not receive funding? at the same time?	Yes, you can apply for support for another project at the same time
23	I registered my business in March just before the pandemic hit. We work in events so our roll-out had to be put on hold due to Covid. We have great traction now but need finance in order to meet demand for next year. Are we eligible or do we need to have been trading for longer?	The trading position is not an absolute barrier. However, it is worth noting that ICLs are for specific innovation activities and not for general working capital.
24	Does 'previous support from another organisation' include support from private investors?	Yes
25	Regarding strand 3 eligibility, please could you confirm what the independent assessment element involves?	Your responses to the questions in IFS will be reviewed by 3 independent assessors for quality.
26	Flexibility re drawdown: Do we have to drawdown the whole amount of our requested loan down, and on the requested drawdown dates, or is it flexible, the only firm thing being that we cannot drawdown anything further after the requested "Availability Period".	The full loan cannot be drawn down at the outset. Drawdowns will be made quarterly in advance to fund forecast R&D costs in the quarter. We will baseline the drawdown profile up front. If the requirement changes, we will manage that through our monitoring officer.
27	Repayment: Can the loan be repaid early without penalty?	Yes - no prepayment fees apply.

Innovation Continuity Loans Webinar

Unanswered questions

28	<p>Which strand does this fall into? We have a current project which is on track and will be completed with current funds in April 21 - but our ability to raise further funds to follow on with phase 2 R&D activity has been hit by Covid. We're advised that the situation will ease towards the end of the year and we're seeking a loan to bridge the gap until we can secure further funding.</p>	<p>ICLs are not bridge financing. If your project is live, then you would apply in strand 1, but you would need to demonstrate a need for funding as a result of Covid-19 impacts. If your follow-on project starts in April 2021, we hope to have further innovation loans competitions (but not ICLs) in the next financial year.</p>
29	<p>We have a project that was funded by Innovate UK in 2014. Funding was then obtained from IMDA in Singapore for an extension to the project which completed within the last 3 years. Would we be able to apply on strand three?</p>	<p>Yes</p>
30	<p>Can a business make multiple loan applications across the 3 strands and within a strand? e.g. 2 loans in strand 2 plus a strand 3 loan.</p>	<p>Only one application can be made in each competition. Applications could be made in more than one strand for separate projects if they meet the eligibility and scope criteria. The maximum loan for each project is £1.6m, but total exposure for a company could be higher - if considered suitable.</p>
31	<p>Is the loan applicable for start-ups who have received a previous grant and are looking to bridge the gap between post-completion of the previous grant project and commercialisation</p>	<p>This would appear to be a follow-on project and therefore fit within the scope.</p>
32	<p>Can we pay the entire 7.4% prior to the repayment period to avoid capitalizing the 3.7%?</p>	<p>This would not be permitted. The interest deferral is to support businesses who are expected to have limited cashflow during the availability and extension periods.</p>
33	<p>Do you get allocated a loan that you can draw on as required so you only pay interest as you draw on the money.</p>	<p>Loans will draw down quarterly in advance to meet your forecast spend in the following quarter on the project. You only pay interest on the drawn amount.</p>

Innovation Continuity Loans Webinar

Unanswered questions

34	<p>If the availability period is the time that we can draw down on the loan, and the repayment period is when we pay back the loan. What is the extension period? So the extension period is not an interest free period (eg. where the govt is paying interest), but a period where the borrower is just servicing the loan without a need to be paying it down?</p>	<p>The extension period is when you are getting to market. In this period there are no further drawdowns, but interest only is payable, but before capital and interest repayments start. There are no interest-free periods with ICLs</p>
35	<p>Can the loan pay for capital equipment needed for the R&D project?</p>	<p>Usage of capital equipment in the project is an eligible cost. This is described in the guidance for applicants</p>
36	<p>Ref Strand 3- Nigel mentions "highly innovate with clear route to market by an independent assessment" - what is your requirement for this assessment and by whom? Thank you</p>	<p>The quality of the innovation project, including the market opportunity, is assessed by 3 independent assessors appointed by Innovate UK. The suitability of the applicant for a loan, including the route to market and the management team necessary to achieve this, is evaluated by the credit team of Innovate UK Loans Ltd. The final decision is made by the credit committee of Innovate UK Loans Ltd</p>
37	<p>If the loan is genuinely "below market rate", what are the State Aid implications of taking one of these continuity loans?</p>	<p>The difference between the market rate (interest, fees, charges etc) and our charges - over the life of the loan - are the equivalent of a grant and therefore considered to be aid</p>
39	<p>Are all strands secured loans?</p>	<p>Yes, they are. We think they are security-lite, relative to a commercial loan, and we will generally be willing to give priority to other senior secured lenders so we don't get in the way of future commercial debt finance.</p>
40	<p>So this is not relevant for pre-revenue companies?</p>	<p>Pre-revenue companies may apply. We will consider affordability, based on the capital position of the business and its forecasts for revenue generation, in our credit evaluation to ensure that a loan is suitable</p>

Innovation Continuity Loans Webinar
Unanswered questions

41	<p>If a new limited business has been created around the innovation (i.e. the innovation requires a different limited company status to current operations), will it be eligible, even though it has not yet traded? I have operated as a sole trader for 14 years and have formed a new limited business and team to develop and bring this innovation to market.</p>	<p>If you mean an SPV within a wider group, then yes. We will want to understand the overall connection, how the IP is licenses, what the longevity of that is and how cashflows work. A newly incorporated business that takes over from a sole trader can apply. We are likely to consider the IP, the capital, the team etc</p>
42	<p>What metric are you using for liquidity ratio, there are a number of them</p>	<p>Current assets / current liabilities - we typically look for 1.1x cover.</p>
43	<p>Is corporate authorisation evidence needed for the application?</p>	<p>Not for the application, but certainly for the loan to be formally agreed and documented</p>
44	<p>Are applications evaluated on a rolling basis or do you only start reviewing after the deadline</p>	<p>Strand 1 are evaluated on a rolling basis, but Strand 2 and 3 will be assessed after the competitions close.</p>
45	<p>1) What claim on a companies assets (eg. IP, software, hardware) does InnovateUK have if the borrower/company fails? 2) Where would the loan priority sit when engaging a typical VC/equity investment?</p>	<p>If we have a mortgage debenture, we will have a claim over the fixed and floating assets of the business, depending on our relative priority versus other creditors. Secured loans rank above equity/VC investment.</p>
46	<p>Does this mean a company with a negative EBITDA will not be able to apply for these loans?</p>	<p>There is no hard rule on this</p>
	<p>Regarding the 'business in difficulty' clause - at 31.12.19 over 50% of our share capital had been used up by trading losses. That sounds like we are immediately ruled out, is that correct?</p>	<p>Under the Temporary Framework there is an exemption relating to micr / small businesses. Please consult the competition brief: https://apply-for-innovation-funding.service.gov.uk/competition/779/overview#eligibility</p>

Innovation Continuity Loans Webinar
Unanswered questions

47	There doesn't seem to be a place to upload accoutns in the portal?	The business financial spreadsheet is uploaded at the end of the survey part of the application, not through the IFS portal (which is for the project proposal only)
48	WRT covenants - if the comany is loss making in year 1 will it fail the EBITDA covenant on an annual basis, or can this covenant be applied across the length of the project/loan?	In the availability and extension period, we tend to rely on a liquidity covenant rather than DSC, which more typically applies in the repayment period only.
49	Will there be another deadline for continuity loans in 2021?	We can't commit to that at the moment, given the funding envelope in place.
50	If you are pre-revenue and do not expect to generate sales for another two year, is it worth applying for a loan	If you can demonstrate how you will service the loan, it's possible to be successful.
51	Is the survey purely based on historical info or can companies not currently generating EBITDA apply based on forecast cash flows?	We consider both historic and forecast information in our credit evaluation.
52	do businesses that currently generating loss have any chance for a successfull application?	We consider both historic and forecast information in our credit evaluation. It's about understanding how you will grow the business through innovation to get to profitability - and telling that story in a credible way.
53	If you are a pre revenue start up with no turnover and negligible assets would it be possible to get underwritten for a loan. WE have been funded at every stage of our innovation project but our investors pulled out during covid. We were allocated a £605,000 grant toward our project by Innovate but that grant was withdrawn when our investor pulled at at the start of Covid.	Being pre-revenue is not an absolute barrier. It is about understand what the plan is, how debt costs will be met and what the broader funding plan for the business is.

Innovation Continuity Loans Webinar

Unanswered questions

54	Can I apply for the Innovation Continuity Loan although I have a plan to apply for the Bounce Back Loan? Thank you	You can apply for both. We wouldn't expect you to cover the same costs with both.
55	Nigel said I think that "EBITDA must be 1.2x the debt servicing cost", which implies that the business is already profitable - in which case this continuity loan can't be used by startups, is that right?	DSC applies in the repayment period; we look for liquidity cover (1.1x) in the availability and extension periods, to show interest costs can be met as they fall due.
56	Where do we get the Early Metrics survey part please?	https://ukri.innovateuk.org/ICL
57	Hi there - is the debt service coverage ratio covenant based on the debt service cost at 3.7% during the first 2 periods, or does it include the deferred element of the interest expense?	DSC typically only applies in the repayment period. We rely on a liquidity ratio in the availability and extension periods when there is also the interest deferral.
58	We're working on a current grant to complete phase 1 of our innovation (by Q2 21) but at present we are pre-revenue. We'd like to apply for a loan to take us from that point through phase 2 of our innovation and into commercialisation. The concept of the loan appears a perfect fit, but the term sheet seems to preclude pre-revenue start-ups, which is difficult to understand (loans of this nature are exactly what start-ups need at this time). Can you please advise how pre-revenue companies apply.	We are able to consider pre-revenue businesses so long as you can demonstrate how you will service the interest in the Availability and Extension period and capital and interest in the repayment period. That means providing a forward looking cashflow, P&L and balance sheet and evidencing the assumptions behind these.
60	Would a company incorporated out of the UK be able to apply? The nature of the business meets all your requirements	So long as the activity takes place in the UK and there is an established presence here, that's fine.
61	are there any early repayment fees?	No
62	Are there any upcoming grants from UKRI for highly innovative companies?	https://apply-for-innovation-funding.service.gov.uk/competition/search

Innovation Continuity Loans Webinar
Unanswered questions

63	How restrictive are the use of funds? Can they only be used for specified activities to complete a specific project?	ICLs can fund the eligible costs of the R&D project (and additional costs of R&D caused by the pandemic) during the availability period. The guidance for applicants describes 'eligible costs' in detail
66	By January we will have successfully completed two projects, due to Covid we have been unable to make progress regarding taking the resultant products to market. As part of our loan application we want to complete specific R&D which follows on from the original products, but also support the business generally to keep the team together as we take the products to market, would this general funding be acceptable?	ICLs can fund the eligible costs of the R&D project (and additional costs of R&D caused by the pandemic) during the availability period. The guidance for applicants describes 'eligible costs' in detail ICLs cannot be used to fund 'general business costs' or working capital requirements
67	Is non-UK technical development team invalidate this loan application? They would invest 50% in technical dev and marketing in the targeted overseas market saving on our costs, would that be justifiable?	Not if it is justified - eg. skills are not available in the UK.
68	Can an SME that has been awarded a IUK grant apply for a continuity loan to bridge the gap between making project purchases and drawing on grant funding?	This would only be considered under strand 1, where the continuation of a project is threatened by the economic impact of the pandemic. ICLs are not working capital or bridge finance
69	Can the loan be used by a pre-revenue SME to cover cost setting up your operations, sales and cover manufacturing costs, to facilitate the first product launch?	ICLs can fund the eligible costs of the R&D project (and additional costs of R&D caused by the pandemic) during the availability period. The guidance for applicants describes 'eligible costs' in detail ICLs cannot be used to fund commercial activity such as sales & marketing

Innovation Continuity Loans Webinar
Unanswered questions

71	hi, how does max under temp aid of €800k match against max loan application of £1.6m	The aid is calculated on the difference between IUKL terms and market terms. So, it isn't simply the total amount of the loan. There's a calculator in the application that shows how much aid you will be receiving.
72	Is the entire loan amount considered state aid or just the portion that is below-market interest?	The difference between the market rate (interest, fees, charges etc) and our charges - over the life of the loan - are the equivalent of a grant and therefore considered to be aid
73	Temporary framework says under €800k but loan amount can exceed this?	The difference between the market rate (interest, fees, charges etc) and our charges - over the life of the loan - are the equivalent of a grant and therefore considered to be aid
74	does a bounceback loan count as Govt support	I believe so, but you should check with your provider
75	If a SME doing R&D is pre revenue, how can it meet the debt service coverage requirement? Or does that just apply to projected business during the repayment phase?	The DSC requirement will apply in the repayment period; there is typically a liquidity covenant in the other periods.
76	Are there any lawyers / consultants who can help us with collating the application	Yes, there are many service providers. We cannot recommend any - or indeed the use of them - as I'm sure you will understand since we are a public body
77	For Strand 1 - Continuation of Live Project, if there is six months left of the project. Is it possible to submit a loan that finances the remaining 6 months and another 12 month after that until the commercial project is developed	ICLs can only support a 12 month project availability period, so 6mths + 12mths would not be permitted. Any change to an existing project will require a project change request to be approved

Innovation Continuity Loans Webinar
Unanswered questions

78	<p>Thank you very much for the presentation. This seems like a more complicated and onerous process than applying for a loan via high street bank, with a similar profitability requirements. In that respect, how is Innovate UK competitive with high street offers?thank you for the explanation, but this is verbatim what our high street bank contacts offer usnot very helpful is it? Where's the innovation facilitation aspect of this scheme?</p>	<p>It might seem complicated, but it's worth considering that we are willing to rely on future forecasts rather than being formula driven or reliant on historic data. In that way, our assessment is part way between debt and equity. in that context, we think it is right to be careful both in terms of being responsible to you and sensible with public money.We have a very different risk appetite from commercial lenders (as we accept innovation and associated market risk) and a different approach to credit analysis (which is more focused on future cashflows than on historic performance and the availability of collateral). We must be a responsible lender and manage public money, so we do consider suitability and affordability. An ICL is to support continuity of innovation and is not intended to compete with lenders or investors. It is also not a replacement for pure risk capital for startups.</p>
79	<p>We have recently received confirmation of an "extension for impact" follow on grant after our initial "business-led innovation in response to global disruption" Innovate UK Grant. Does that conclusively mean that the initial project is not defined as "completed" and therefore we cannot go down the strand 2 route?</p>	<p>If you have an extension for impact grant, then your project has been extended. It will need to be completed before a follow-on project under strand 2 can start. This must be (comfortably) before 31 March 2021. you should discuss this with your Monitoring Officer</p>
80	<p>can you clarify the debt cover ration re EBITDA. Most R&D companies are loss making</p>	<p>This typically applies in the repayment period only - by which time, we would hope that you have achieved commercial traction.</p>
81	<p>Where do I find the Financial Spreadsheet - I've look through all screens but just see areas to input and not download/upload? Likely looking in the wrong place but if you could be kind enough to direct me I'd be grateful.</p>	<p>The financial spreadsheet link is at the start of the survey. The link is: http://go.innovateuk.ukri.org/ICL_finance_information</p>

Innovation Continuity Loans Webinar
Unanswered questions

82	So will the assessment of the current ratio include cash draw-down in order to show sufficiently liquidity to pay 3.7% interest before repayment period?	It is a straight forward calculation of current assets / current liabilities.
83	Do the loan terms allow Innovate UK to sell the loans to a third party?	Notionally, we are able to transfer the book. In the unlikely event that were to happen, we are committed to doing so on the basis that our commitment to treating customers fairly is retained. The likelihood is low.
84	Is the eligibility for state aid assessed based on what's provided in the loan application? And is state aid separate from the loan? Say the loan is up to 1.6m and state aid is 800k therefore one can be awarded 2.4 m max?	The difference between the market rate (interest, fees, charges etc) and our charges - over the life of the loan - are the equivalent of a grant and therefore considered to be aid. The benefit of the loan is the aid - they are not separate and cannot be added together in this way
85	do we assume the loan application is successful when completing the financials	Yes, please include the loan in the forecasts. The ready reckoner in the excel document calculates this for you.
86	Please can you elaborate on the solvency rules. We have raised equity but losses - exacerbated by Covid - have necessarily used up a large portion of that capital, which is why we need a loan.	We would not look to support a business that is trading insolvent, as this would be in breach of directors' duties under the Companies Act. However, the fact that you have invested heavily in R&D is not a barrier. We often see retained losses, but if equity is going negative, we'd want you to explain how you intend to address that.
87	Can you repay early ?? without penalties??	Yes
88	Hi - I think there is a bug in the Financials spreadsheet as our year end is 31st December so this means that the FYXX values are wrong with FY21 as an Actual not a forecast - not a major issue as can overwrite the values... just flagging up. Thanks!	Thank you - we will look into this straight away
89	are innovation loans available to public sector organisations?	No

Innovation Continuity Loans Webinar
Unanswered questions

90	Can the loan be repaid early?	Yes, there are no prepayment fees or penalties. We will be happy if your success allows you to do that!
91	I have read that Funding will not be given where the project will not be continued or where necessary, completed during the COVID-19 pandemic. What does that mean in terms of when the project must complete for the purposes of costs of running the project?	The R&D phase of the project must be completed in the availability period, within 12 months. The wording you refer to means that you need to be able to continue and complete the project despite the impact of the pandemic - that is what this support is there to ensure companies can do
92	Does or can the repayment calculator spreadsheet link with the forecast spreadsheet so the DSCRs can be calculated automatically?	Yes
94	we are currently working on a phase 1 feasibility Innovate Uk grant and we are self funding the rest of the project cost . we are also pre revenue at this point . however for phase 2 (this includes prototyping , commercialisation and market launch) that starts in sept 2021 , we would be needing a loan to bridge the part of the non funded part of innovate Uk grant: are we eligible?	Since your follow-on project would start in Sept 2021 you will not be eligible for this ICL funding which requires projects to start before 31st March 2021
96	Can you explain how you calculate what part of this loan would be classified as State Aid? Thanks	It is based on the rate charged vs a market rate for the risk categorisation of the business, adjusted for the lack of fees charged. There is a ready reckoner in the application.
98	Can we apply for this loan to help bridge over to a grant we have won but that starts in 2021?	ICLs are not bridge financing.

Innovation Continuity Loans Webinar

Unanswered questions

99	If we get confirmation from a (well established, reputable) commercial lender that they will make a loan for our project, will you lend even if your "lending criteria" may not be met by a innovative young start-up company that clearly would struggle with the metrics that you have set out.	If a commercial lender is ready to lend, then you may not be eligible for public money through an Innovation Loan.
100	What is the scoring criteria for each application?	This is discussed in detail in the webinar and described in the guidance for applicants. If it remains unclear, please contact Customer Support Services with a specific question
102	Is the debt service ratio of 1.2 required at the point of application or later on once the loan is drawdown	The DSC ratio is tested in the repayment period only
103	will you lend against revenue generating demonstration projects, i.e. not against a business and its forecasted sales revenue?	There is nothing to stop you making pre-commercial revenues from paid trials, for example, in the extension period. If these revenues are enough to service the debt in the repayment period, we can work on that basis.
106	If we already have a continuity grant for an innovateUK project, would we be eligible for a strand 3 loan for an unrelated project?	Yes.
107	In strand 3 are you looking for or excluding any particular TRL level or stage of R&D/development project?	No - but since there is only a one year R&D phase and we are expecting to see a clear route to commercial success and repayment of the loan, it may be assumed that very early stage R&D is unlikely to be particularly suitable
108	If we are looking at strand 1, and we have a live project of which we have submitted eligible costs previously, does that mean that the loan value is automatically limited to the size of the project already submitted? can you confirm if the deemed "unfunded costs" being	Strand 1 will support the remaining unfunded costs, plus other reasonable costs arising as a result of COVID. This will be based on the original application unless adjusted through approved project change requests

Innovation Continuity Loans Webinar
Unanswered questions

	that shown in the original application for the live project ?	
109	Please could you explain the nature of your collateral requirements in relation to any charge over IP (relative to equity holders).	We will take a mortgage debenture - a fixed and floating charge overall the assets of the business. Where there is a charge in favour of a senior secured commercial lender (now or in the future), we will expect to be subordinated and cede priority through a deed of priority. We do not consider equity holders to be senior secured commercial lenders, so we would expect to have priority over their charge and would require them to cede priority to us in a deed of priority
110	We haven't successfully completed a project supported by an Innovate UK award in the last 36 months - can we still apply directly for Strand 3 loans... I understood that we could please advise if not	We haven't successfully completed a project supported by an Innovate UK award in the last 36 months - can we still apply directly for Strand 3 loans... I understood that we could please advise if not
111	Are we able to upload a pitch deck and also a detailed financial model to the application?	You can upload a pitch deck at the end of the survey. You can add a financial model as additional tabs in the business financial spreadsheet - but this does not remove the requirement to complete the business financial spreadsheet
112	How much funding in total is available under strand 3?	We have not split the funding between streams or competitions
113	Our experience is your independent assessors are not experts in the sector or in innovation	We select assessors based on their experience, but acknowledge your opinion and feedback
114	Is the loan supposed to cover only spending in the 12mth period, or can it as a contingency include some extra runway for commercialisation to kick in?	Contingency is not an eligible cost, so only the forecast spend - unless approved in a change request - is covered

Innovation Continuity Loans Webinar
Unanswered questions

115	What are the £m amounts allocated to the different strands?	We have not split the funding between streams or competitions
116	How do you view PE investments through loan note instrument where these are technically loans from accounting perspective but these are loans by a shareholder and unsecured.	They are typically a junior debt instrument.
117	We have an innovate UK grant for another project in our business. we have a highly innovative project which we have previously funded without grant funding which we want to progress with a loan application. because COVID 19 has affected funding for the business we cannot develop this project unless we receive further funding. are we eligible to apply for the loan funding?	This would fall under strand 3
118	Does an ICL affect R&D tax credits we receive?	It is very likely to, since it is a form of state aid related to a specific project, as are R&D tax credits, and two forms of aid for the same project are not permitted. You should consult an expert about anything to do with tax
119	Would a start up who has just applied for a SMART grant be able to apply for this loan to match-fund the SMART grant?	Strand 1 ICLs are for live projects only
120	Nigel stated "we love stupidly risky", risk being a nuanced topic, can you provide some guidance around this?	We are keen to take lots of innovation risk, a reasonable amount of commercial risk around forecast performance, but a very limited amount of risk around operational challenges - eg. fraud, ability to manage the project etc.

Innovation Continuity Loans Webinar
Unanswered questions

121	<p>Innovate grants always have market awareness and route to market which address the likelihood that the innovation can gain customers and make money. That is obviously relevant for the credit test. What are the other parameters that credit assessment focuses on, presumably more detail on variable and fixed costs, working cap and capex?</p>	<p>As described in detail in the webinar, our approach to credit considers these matters, as well as the management team, the capital position, liquidity and especially cash</p>
122	<p>How do you ensure that your independent project assessors are truly independent? We sometimes feel that feedback and assessment are so varied (on previous SMART applications) with some assessors positive and some negative that we do get the impression that one or two assessors could have close relationships with our competitors which colours their judgement.</p>	<p>We select assessors based on their experience. We require them to consider potential conflicts of interest and not assess projects where direct / indirect conflicts exist. Variation in scores and feedback does occur. This happens most frequently when applications are not clearly articulated, leaving scope for different interpretations. In many competitions we apply a process to identify and exclude "outlier" assessor scores. Nevertheless, we acknowledge your opinion and feedback</p>
123	<p>With regard to Overhead presenter stated rent not allowed in here but guidance says office rent included but workshop rent should go in 'other' - this question is vital for us so are the guidance notes incorrect please? Our workshop rent is way over 20% of our capital costs of office space etc</p>	<p>Please follow the guidance</p>
124	<p>If you are lucky enough to get the loan, what are the terms to drawdown? Do you spend on the project before drawing down the loan or can you draw down first? Is drawdown conditional on project evaluation?</p>	<p>Drawdowns are quarterly in advance</p>

Innovation Continuity Loans Webinar
Unanswered questions

125	Can you add into labour cost - BD personnel even though the first year of draw down is only R&D ?? I am assuming yes ?	If BD personnel are carrying out R&D activity in the project then they are an eligible cost. If they are carrying out commercial activity (sales & marketing) then are not an eligible cost for R&D
126	Is there a specific category we apply to for innovations in 3d printing and solar?	ICLs are open to any sector / technology
127	Can Yankees Apply?	UK-based businesses can apply
128	Can you advise on which strand we should apply for? Our current funded project will be completed early next year and we'd like to follow on with a loan for further add-on innovation that can take us towards commercialisation. We are currently pre-revenue and will be until mid-21 and will be seeking equity investment towards the end of the year.	If you need support to continue / complete a live project with an Innovate UK award, then you should apply under strand 1. If you are following on a project with Innovate UK funding you should apply under strand 2, but you must successfully complete your project before the new one starts. If your innovation activity has not been supported by Innovate UK, you should apply under strand 3 for support to continue / complete/ follow-on
129	Can we add in costs we have had to incur now due to COVID 19 ie re development of a lab for social distancing ? thanks	These would be "additional costs of R&D arising from the Covid-19 pandemic"
130	How do we deal with a sub-contractor who is also a minority shareholder - ie. they will get paid, but they have a long term commitment to our business. Do we show them as a sub-contractor?	They should be shown as a sub-contractor

Innovation Continuity Loans Webinar
Unanswered questions

131	Is a start-up that had been created around the innovation and had attracted private investment. To develop and prove the innovation and is currently close to commercialization phase, but due to pandemic will need more funding in order to complete the automation of the innovation. We can prove commercial interest and success of the innovation. Are we eligible even though we have not yet traded?	You are eligible to apply
132	We have a non UK satellite office with Italian payroll, are these payroll costs which are directly attributable to the project eligible?	Please check the detailed project cost guidance on our website - but I think they will need to be shown as sub-contractors if not paid under PAYE
133	Can we apply for a strand 3 Continuity loan if we have already received a Continuity grant (for an unrelated project) ?	Yes
134	what about a project that was funded by an innovate UK grant but ended longer than 36 months ago....what strand is that?	Strand 3
135	I have two ways to present my project. With the loan I can get to an interesting level of profitable revenue and a viable company. But what i hope to achieve is raise equity funding midway through the project to accelerate the company to achieve a global scale business. This is more risky and has the risk of raising the equity. Do i present the 'safe' option with the upside of the ambitious case, or as the ambitious project, with a potential downside risk that still enables the loan to be repaid. Which financial projection should I base line?	I'm afraid that we can't offer advice of that nature... you should present your best estimate of your future strategy

Innovation Continuity Loans Webinar
Unanswered questions

136	If an application is not successful do you provide feedback that can be used to learn from?	Yes
137	Thanks, I think that makes it clear - so it's not really about profitability, it's about ability to repay (which could be e.g. from equity funding), yes?	We focus on affordability: the ability to pay interest and make repayments when they fall due.
138	We started a Innovate UK Project Oct 1st Sustainable Inno'n-Fund. We want to broaded its scope to a much larger and profitable market sector. Can we apply fro Strand 1?	You will need to have approval for a change to the scope / timing of your live project. Subject to that, you could apply in strand 1
139	Will the slides be circulated to attendees?	Yes they will be, together with a link to the presentation and responses to the questions raised.
140	How do you ensure independent assessors do not have a conflict of interest?	We require assessors to identify if they have a direct or indirect conflict of interest in relation to applications in a competition. If there is a direct conflict, they cannot assess any applications in the competition. A direct conflict arises if the assessor has been directly involved in writing a proposal, if they are part of a project team, if they could benefit (directly or indirectly) from either scoring an application high or low (for example as a direct competitor) or if they feel in any way that they are not able to assess an application independently and objectively.If there is an indirect conflict, they can assess in the competition, but not on proposals where there may be a conflict. An indirect conflict arises if the assessor works with or for the applicant but had no knowledge or involvement in the application or does not stand to benefit from the outcome of the application, or if the assessor previously worked for an organisation or individual named in the application.

Innovation Continuity Loans Webinar

Unanswered questions

141	will you have anothe round of this competition coming up towards say april 2021 as my sitaion may be in between strand 1 and strand 2	We do not currently have any further ICL competitions planned after this round
142	I thought Strand 1 had closed. Is it still open to applications? I can only see Strand 2 and Strand 3 on the Innovate UK website: https://apply-for-innovation-funding.service.gov.uk/competition/search	Yes, it is open until 11am 13th January 2021 Strand 1 applications are not made through the IFS portal. Please see https://ukri.innovateuk.org/ICL for the link to apply
143	I have just completed a GCRF Phase 1 (research) grant, would that meet the criteria for a Strand 2 application?	I'm not familiar with that specific programme, but strand 2 is for projects that follow on from a successfully completed project that have an Innovate UK award. If you have a Grant Offer Letter from Innovate UK, that should make it clear that you have an Innovate UK award
144	Are there any restrictions on technology levels?	We do not make reference to any specific TRLs, but please see the compeititon brief which describes the scope
145	Does having three Phase 2 H2020 Seals of Excellence from 2019/2020 support a strand 3 application?	Your project will still need assessment, but having scored well in SMEI should indicate that you have the ability to present a high quality project
146	Does each strand have a set amount of finance available for the loans? Or can the amounts available for each strand vary according to the size/quality of that strand's applications?	We have not split the funding between streams or competitions
147	Hi , Is round 2 a competition? thanks	Yes
148	If we submit an application sooner than the deadline will it be assessed sooner and receive feedback?	No
149	Where can the PDF and spreadsheet downloads be found?	They are in the survey: https://ukri.innovateuk.org/ICL

Innovation Continuity Loans Webinar
Unanswered questions

150	I have read that if a company receives any financial aid, for a R&D project, which is categorised as Notified State Aid then it won't be able to claim R&D Tax Credits under the SME branch of the scheme at all as only one type of Notified State Aid is allowed per project. RDEC would have to apply. Is an Innovate loan under the temporary framework Notified State Aid?	You should consult with an expert tax advisor to confirm whether the restriction applies specifically to Notified State Aid or any form of aid relating to a specific project
151	What provisions are there around early repayment of loans?	There are no penalties for early repayment
152	Can you recommend any advisors or consultants in London?	We aren't able to make recommendations as we are a public body
153	Will January 13th be the only deadline in 2021?	We do not currently have any further ICL competitions planned after this round
154	Can this loan be used in conjunction with future innovate Grant applications, to offset against the contribution to project costs to match grant funds?	No
155	Can SME apply for £300k but only withdraw 50%	The minimum loan amount is £250k. An application for £300k, with the intention only to draw £150k in order to 'get round the rules' would be a misrepresentation
156	We create products for companies in the crypto space so essentially all of the revenue are from crypto mining or software created for other crypto companies, are there any restrictions on this? Is that an eligible activity	If the activity is R&D, then it would be eligible, regardless of the market. The business model and market would be considered by our assessors and credit team
157	Can we make early repayments?	Yes
158	What is the maximum length of project allowed - 4 years? Can we claim capital depreciation during that duration?	The 'project' can be up to 3 years (up to 1 year availability and up to 2 years extension). The usage of capital equipment in the project in that period is an eligible cost.

Innovation Continuity Loans Webinar
Unanswered questions

159	Will hospitality be favoured because of Covid 19?	There isn't any sector prioritisation in ICLs
160	Can the whole amount borrowed be repaid early without penalty?	Yes
161	what happens if you don't hit the liquidity cover after you have recieved the loan?	Failing to meet the liquidity covenant would be a breach of the terms of the loan agreement. If not rectified within the period permitted in the loan agreement, this is likely to constitute a default, which might lead to a demand for repayment. Please read our guidance for further information: https://www.gov.uk/guidance/innovation-loans-what-they-are-and-how-to-apply#what-happens-if-the-business-defaults-on-its-loan
162	What are the early repayment provisions of the loan?	Early repayments are permitted without penalty
163	Where would an ICL loan rank wrt priority against a BBIL an SME might have taken out this year due to COVID? Will having taken out a BBIL be held against an SME?	We would expect to be subordinated to a senior secured commercial lender.
164	You suggest there is a PDF of all questions to download, which I am unable to find. Do I need to start a new application to be able to download this?	The PDF of the survey questions can be accessed from the first page of each survey (which differs slightly for each strand) https://ukri.innovateuk.org/ICL
165	Is this the only funding call for this Innovation Loan, or will there be another opportunity later in 2021?	We do not currently have any further ICL competitions planned after this round
166	I wrote some applications for clients for a similar round of applications a few years ago with the Business Bank, the emphasis seemed to be more on finding reasons to fund, rather than not to fund as with grants. Is this process looking to fund? Or looking to reject?	This process is looking to fund where appropriate. Our grants are also seeking to fund where appropriate - indeed we have almost 7,000 live projects currently operating

Innovation Continuity Loans Webinar
Unanswered questions

167	Over how long a period can the loan be expended once drawdown? I.e final tranche drawn at March 22, but for spend in following year?	Drawdowns should fund the forecast spend in the following quarter. A final drawdown on 31st March 2022 would fund spend up to 30 June 2022
168	When is strand 1 available?	It is available now and has been available since May
169	How does an application for an ICL Strand 3 interact, if at all, with an existing Innovate UK Smart Grant application?	They will be considered separately. Smart does not have the "continuity" focus of an ICL
170	Hello,	Hi - thanks for joining the briefing!
171	if we have a currently running KTP, but are looking to fund a new project that builds on the outputs of the KTP. Would this be considered a Strand 2 or Strand 3 application? thanks	A KTP is project with an Innovate UK award, so a new project that follows on would need to be under strand 2 - and the KTP project would need to have completed successfully for the new project to be 'following on' from it
172	Am i correct in thinking that you cannot include costs of sales and marketing in the loan application? These are essential costs to "commercialise" a project and to generate revenue - do I need to seek funding elsewhere for these items? Thanks	Commercial activities, such as sales and marketing are not eligible costs for R&D in an ICL
173	The financial model we submit will be our base case. We have sensitivity detail within our detailed model but is this presented anywhere in the initial submission, or will this be discussed at a later date if we get past the first hurdle?	You can provide further information as an additional worksheet in the business financial spreadsheet - but discussion of sensitivities is most likely to happen in detailed credit analysis
174	If we go into the credit evaluation process (after 19 Feb), does this mean that assuming we pass the credit evaluation we are through the "competition" element? Or from this point can we still be turned down as others can win the "competition"?	If we need to "ration" funding, this will be taken into consideration in the decision on which applications to progress into detailed credit analysis. We can't guarantee that there won't still be "competition" at that stage
175	Scott due to a covid squeeze I might need to replace an existing loan for a project. is this within eligibility?	Refinancing existing debt is not a permitted use of an ICL

Innovation Continuity Loans Webinar
Unanswered questions

176	What type of collateral is expected and what happens in the event of a default?	Will will take a mortgage debenture (a fixed and floating charge over all assets of the company). The consequences of an event of a default are described in our guidance here: https://www.gov.uk/guidance/innovation-loans-what-they-are-and-how-to-apply#what-happens-if-the-business-defaults-on-its-loan
177	Can you please clarify how the financial requirements differ from those of a bank. The idea behind these loans according to your documentation is to provide loans to businesses who are struggling to obtain finance elsewhere but your terms sheet seems to require "adequate capital" and "ratios". As a start-up I don't have the assets & capital - which is why I'm here - if I did, I'd be able to get a loan from a bank. So how are you supporting start ups	We have a very different risk appetite from commercial lenders (as we accept innovation and associated market risk) and a different approach to credit analysis (which is more focused on future cashflows than on historic performance and the availability of collateral). We must be a responsible lender and manage public money, so we do consider suitability and affordability. An ICL is to support continuity of innovation and not a replacement for pure risk capital for startups. Schemes such as the Future Fund are more focused on the availability of equity.
178	Is there a grace period before repaying the loan in the first quarter?	There are no grace periods. Interest is payable each quarter. However, repayments do not start until the repayment period, which could be up to 3 years from first drawdown
179	Do we have to spend loan money during 12m project period but can it help see use through the extension period?	The loan is to fund R&D costs in the availability period only
180	We plan to raise additional equity over the next year or two to fund the continuing development of the business. Will this prejudice application for an ICL?	No - it's actually likely to indicate a funding strategy for growth
182	How are Convertible Loans under the British Business Bank's Future Fund treated for the requirement to have >50% equity share capital remaining?	The capital requirement of the 'undertakings in difficulty' test is likely not to apply for most micro / small businesses under the Temporary Framework
183	What is Innovate UK's definition of R&D in the context of strands?	https://www.gov.uk/guidance/innovation-apply-for-a-funding-award#categories-of-research-and-development

Innovation Continuity Loans Webinar
Unanswered questions

184	If you are involved with a live project and have made an application for a follow on project but will not know that outcome until after January 13th can you still make an application?	Yes - but the live project must have successfully completed before the follow on project can start and should be (comfortably) before 31st March 2021
185	Where is the best place to get guidance of the max State Aid allowed and what does and does not qualify as state aid?	https://www.gov.uk/government/publications/state-aid-manual
186	As an organisation we have a current pilot project which in the year from March 2021 - 22 is innovative and ambitious and by March 22 will be entering commercial income phase. The expenditure to complete this project is circa £800k but that expenditure is exploiting the R+D already spent. Alternatively we are about to start our second project - based upon the success of the pilot. This second project will need £1.5 million of R+D in the first year and then need two years to commercialisation so it will be three years before commercial income streams will occur. The pilot will have better economics and it is innovative as a pilot and it will impact sooner. Any advice of applying for pilot or new project. I suppose my question is how do you define R+D expenditure?	I'm afraid we cannot offer financial advice. We recommend that businesses have access to strategic financial advice of this nature from a full or part time CFO, suitable NED or external advisor R&D expenditure definitions are in our guidance: https://www.gov.uk/guidance/innovation-apply-for-a-funding-award#categories-of-research-and-development

Innovation Continuity Loans Webinar
Unanswered questions

189	I am working on a current funded project with you that will complete in april 21 - which according to what I've just heard means i can't apply for Strand 2 because won't be completed by March. In that case can i apply for Strand 3 - which assumes I haven't received a grant in the past. Otherwise you're saying I can't apply for the loan focused on people who've received grants before and i can't apply for loans focused on people who haven't - so i'm in some sort of no-man's land that you've created. What can i do?	If you have a live project that is threatened by the economic impact of the Covid-19 pandemic, then you can apply in strand 1 of ICLs for support to ensure the continuity of innovation despite the impact of the pandemic
190	Would failed previous submission of the project to IUK be eligible for strand 3 loans?	Yes
192	Will there be any more rounds in 2021?	We do not currently have any further ICL competitions planned after this round
193	Well done to the team: Nigel, Scott, Victoria and Hemaxi	Thank you!
194	We are a software developer and tyherfor have minimal assets to offer as security. EWould this jeiparduisse our appliction?	Our credit evaluation is not based on the value of collateral
197	I am trying to understand the difference between these loans and high street bank loan? Is this is the future of Innovate UK projects? Will you now become a lender rather than a grant maker?	We have a very different risk appetite from commercial lenders (as we accept innovation and associated market risk) and a different approach to credit analysis (which is more focused on future cashflows than on historic performance and the availability of collateral). We must be a responsible lender and manage public money, so we do consider suitability and affordability. An ICL is to support continuity of innovation and not a replacement for pure risk capital for startups. Schemes such as the Future Fund are more focused on the availability of equity. Innovate UK has offered both grants and loans (and pre-procurement contracts) for several years.

Innovation Continuity Loans Webinar
Unanswered questions

198	Can I apply for the Innovation Continuity Loan although if I have a plan to apply for the Bounce Back Loan?	Yes
199	is the debt service coverage ratio covenant based on the debt service cost at 3.7% during the first 2 periods, or does it include the deferred element of the interest expense?	The DSC is applicable in the repayment period only
200	Not a question, more feedback - as asked above about InnovateUK lending vs commercial, it would be good if you take a more bank based approach to lending - i.e. don't hold batch competitions, banks don't! Assess applications on their merit and the expected return for the UK economy/environment/etc. Also your focus on liquidity, debt service, etc. means that you aren't focused on innovative companies, more on established businesses - whereas your name is InnovateUK! of course you wouldn't agree with the feedback, because you are the director of Innovation Loans. That doesn't mean that you are addressing innovation requirements with the loans scheme,, it is clearly targeted to larger businesses	<p>Thank you for the feedback.</p> <p>We 'batch' applications for two reasons: partly to match with established Innovate UK processes and partly to be able to compare application in the event that we are over-subscribed to have "competition". This does reduce our responsiveness to applicants and we are considering how best to address this in the future.</p> <p>We assess applications on merit against the criteria for each competition. This is not necessarily a simple question of financial return.</p> <p>Our requirement for borrowers to show affordability and suitability is necessary to be a responsible lender and to manage public money appropriately. Innovation is taken into account, but this will mean that there are innovative businesses for whom this form of support is not suitable. Our portfolio, of over 130 borrowers with over £100m in loan commitments, is made up of businesses who almost all are micro / small and relatively early stage - not larger businesses.</p> <p>We commissioned and published an independent interim evaluation of our innovation loans pilot programme which goes into this in greater detail and may be of interest to you.</p>

Innovation Continuity Loans Webinar
Unanswered questions

201	I'd be really interested in how much consultation you hold when setting our these schemes with innovative micro and small businesses	<p>When innovation loans were first announced in the 2015 Spending Review, we spent 2 years to develop our programme and obtain Ministerial approval to launch as a pilot, that has been extended and adapted as part of the 'continuity support for R&D' programmes delivered this year by Innovate UK. During the development period we consulted extensively with businesses of all sizes and all sectors. This was done in direct meetings, in workshops, through independent market research / surveys and through engagement with academics experts, trade associations and 'innovation hubs' across the whole of the UK. We also discussed our approach with early stage investors and with commercial lenders. We worked closely with BEIS, HMT and the British Business Bank in development of the product's structure and terms in response to the needs articulated in our consultation and the requirements set out by Government in the 2015 SR. We have strategic oversight from a senior board that includes representatives of lenders, investors, corporate finance advisors and government as well as UKRI and Innovate UK. In delivering 7 competitions since late 2017 and now ICLs we have held briefing events across the country, receiving feedback from innovative SMEs each time. We have also received feedback and input through the application processes, from both successful and unsuccessful applicants. We have commissioned and published an independent interim evaluation of the pilot innovation loans programme which includes independent survey data from both successful and unsuccessful applicants, as well as businesses that were not involved in the programme. All this consultation, feedback, engagement and evaluation goes into the shaping of our programme and the continuing evolution of it to meet the needs of businesses and government.</p>
-----	--	---

Innovation Continuity Loans Webinar
Unanswered questions

202	Do you understand that the conflict of interest process you set out only covers a conflict of interest in relation to InnovateUK, not tho the applicant?	<p>We require assessors to identify if they have a direct or indirect conflict of interest in relation to applications in a competition.</p> <p>If there is a direct conflict, they cannot assess any applications in the competition. A direct conflict arises if the assessor has been directly involved in writing a proposal, if they are part of a project team, if they could benefit (directly or indirectly) from either scoring an application high or low (for example as a direct competitor) or if they feel in any way that they are not able to assess an application independently and objectively.</p> <p>If there is an indirect conflict, they can assess in the competition, but not on proposals where there may be a conflict. An indirect conflict arises if the assessor works with or for the applicant but had no knowledge or involvement in the application or does not stand to benefit from the outcome of the application, or if the assessor previously worked for an organisation or individual named in the application.</p>
-----	--	---