



Northern Angel Hub Regional Angel Investment Accelerator pilot scheme

Guidelines for Entrepreneurs accessing finance.

The Northern Angel Hub has launched one of three Angel Investment Accelerator Pilot programmes, funded by Innovate UK.

Led by the North East Business and Innovation Centre (BIC), the Northern Angel Hub is delivered by the Innovation SuperNetwork and North Invest in partnership with the UK Business Angels Association.

The collaboration has received £1m of grant based funding from Innovate UK to encourage Business Angels in the region to bring investment and expertise to pioneering innovative small and medium companies across the North East, Yorkshire and North West as well as increase the scale up potential of innovative technology companies and diversity in investment.

The investment focus for the grant will be in early stage innovation and technology based businesses with a particular focus on sectors with high growth potential across the north.

Sectors include:

- Digital technologies
- Subsea, offshore and energy (clean growth)
- Advanced manufacturing & automotive
- Health & Life sciences (ageing)
- Fintech
- Technology for good, social impact
- Cyber security
- Immersive tech/media

Please Note: There will be several rounds of grant funding offered over the next two years, however the round 1 competition commenced on 1st May 2019 and closes on 27th June at 12.00pm. Applicants will be notified before 26th July 2019.

Executive Summary

The Northern Angel Hub will award **grants** to UK based small or medium sized enterprises (SMEs) to carry out innovative feasibility studies and industrial research projects.

The Northern Angel Hub will only fund projects that:

- have been invited to apply for grant funding by the Northern Angel Hub. **Please note: The first step is to complete an expression of interest - [Expression of Interest](#)**
- have been independently assessed as eligible and in scope



- raised/raising equity investment from angel investors and other investors associated with the Northern Angel Hub

The aim of the competition is to make the most informed funding and investment decision. To do this Innovate UK, as part of UK Research and Innovation, and the Northern Angel Hub are bringing together:

- Innovate UK's expertise in identifying promising innovations and using funding to materially change their risk profiles
- the Northern Angel Hub's expertise, along with that of associated angel investors, in identifying the commercial opportunities and impact-driven management teams that are most likely to succeed

Eligibility

Who can apply?

Any UK business claiming funding must be eligible to receive **state aid** at the time we confirm you will be awarded funding.

The Project

Your project's total eligible costs must be between £40,000 and £300,000.

The latest start date for your project is 1 Nov 2019. Any extension to this can only be by agreement with the Northern Angel Hub and Innovate UK.

Your project can last between 6 and 12 months.

If your project's total eligible costs, start date or duration fall outside of our eligibility criteria, you must provide justification by email to jordan@supernetwork.co.uk at least 10 days before the competition closes. We will decide whether to approve your request.

To apply you must:

- be registered as a UK based [micro, small or medium-sized enterprise](#)(SME) at the time the award is contracted
- carry out your project work in the UK
- intend to exploit the results through a UK based company
- raise equity investment into your business from angel investors or other investors associated with The Northern Angel Hub
- have been invited by a manager representing the Northern Angel Hub Regional Angel Investment Accelerator pilot (Northern Angel Hub)

Collaborations are not eligible for this competition, but you can include subcontractors.



Please Note: You must have discussed and agreed your proposal with the Northern Angel Hub before submitting.

Previous applications

If you applied to a previous competition as the lead or sole company and were awarded funding by Innovate UK or UK Research and Innovation, but did not make a substantial effort to exploit that award, we will award no more funding to you, in this or any other competition. You will not be able to contest our decision.

We will:

- assess your efforts in the previous competition against your exploitation plan for that project
- review the monitoring officers' reports and any other relevant sources for evidence
- document our decision, which will be made by 3 team members, and communicate it to you in writing

Previous projects

Under the terms of Innovate UK funding, you are required to submit an independent accountant's report (IAR) with your final claim. If you or any organisation in your consortium failed to submit an IAR on a previous project, we will not award funding to you in this or any other competition until we have received the documents.

Funding

We have allocated up to £1 million to fund innovation projects in this competition. You must have discussed and agreed your funding with the Northern Angel Hub before you apply.

The first step is to complete an expression of interest form, the form can be downloaded here: <https://supernetwork.org.uk/angel-investment-accelerator/>

You could get grant funding of up to 50% of your eligible project costs. You must raise at least the same amount in equity finance from angel investors or other investors associated with The Northern Angel Hub.

This competition provides state aid funding under article 25, 'Aid for research and development projects', of the [General Block Exemption Regulation](#) (GBER). It is your responsibility to make sure that your organisation is eligible to receive state aid.

Scope

Your proposal



We are looking to fund a portfolio of projects, across a variety of technologies, markets and technological maturities.

Your application must show:

- a clear route to market
- a clear link to innovation
- evidence that you can create a team to deliver your proposal

You must demonstrate that if your project is funded it will:

- have significant market impact
- be scalable
- be attractive to other equity investors

Research categories

We will fund feasibility projects and industrial research projects.

Projects we will not fund

We are not funding applications that have **not** been invited to take part by the Northern Angel Hub or are being undertaken by large companies.

Important Dates - Competition Round 1

Competition opens: 1 May 2019

Competition closes: 27 June 2019 12:00pm

Applicants notified: 26 July 2019

There will be several rounds of grant funding offered over the next two years.

The Application

Once you have successfully completed the [Expression of Interest Form](#), and have been notified by the Northern Angel Hub, that your expression of interest has been progressed to the next stage you will be sent a link to the online application process.

When you start an application you will be prompted to create an account as the lead applicant or sign in as a representative of your organisation. You will need an account to track the progress of your application.

What we will ask you

The application is split into 3 sections:



1. Project details.
2. Application questions.
3. Finances.

1. Project details

Explain your project. This section is not scored, but we will use it to decide whether the project fits with the scope of the competition. If it does not, it will be immediately rejected.

Application team

Invite colleagues to contribute to your application.

Application details

Give your project's title, start date and duration.

Research category

Select the type of research you will undertake.

Project summary

Describe your project briefly, and be clear about what makes it innovative. We use this section to assign experts to assess your application.

Your answer can be up to 400 words long.

Scope

Describe how your project fits the scope of the competition. Your answer can be up to 400 words long.

2. Application questions

The assessors will score your answers to these questions. You will receive feedback from them for each question.

Your answer to each question can be up to 400 words long. Do not include any URLs in your answers unless we have explicitly requested a link to a video.

Question 1. Need or challenge

What is the business need, technological challenge or market opportunity behind your innovation?

Describe or explain:



- the main motivation for the project
- the business need, technological challenge or market opportunity
- the nearest current state-of-the-art, including those near market or in development, and its limitations
- any work you have already done to respond to this need, for example if the project is focused on developing an existing capability or building a new one
- the wider economic, social, environmental, cultural or political challenges which are influential in creating the opportunity, such as incoming regulations.

Question 2. Approach and innovation

What approach will you take and where will the focus of the innovation be?

Describe or explain:

- how you will respond to the need, challenge or opportunity identified
- how you will improve on the nearest current state-of-the-art identified
- whether the innovation will focus on the application of existing technologies in new areas, the development of new technologies for existing areas or a totally disruptive approach
- the freedom you have to operate
- how this project fits with your current product, service lines or offerings
- how it will make you more competitive
- the nature of the outputs you expect from the project (for example, report, demonstrator, know-how, new process, product or service design) and how these will help you to target the need, challenge or opportunity identified

You can submit one appendix to support your answer. It must be a PDF and can be up to 2 pages long. The font must be legible at 100% zoom.

Question 3. Team and resources

Who is in the project team and what are their roles?

Describe or explain:

- the roles, skills and experience of all members of the project team that are relevant to the approach you will be taking
- the resources, equipment and facilities needed for the project and how you will access them
- the details of any vital external parties, including sub-contractors, who you will need to work with to successfully carry out the project
- any gaps in the team you will need to fill



support your answer. It must be a PDF and can be up to 4 pages long. The font must be legible at 100% zoom.

Question 4. Market awareness

What does the market you are targeting look like?

Describe or explain:

- the markets (domestic, international or both) you will be targeting in the project and any other potential markets
- the size of the target markets for the project outcomes, backed up by references where available
- the structure and dynamics of the target markets, including customer segmentation, together with predicted growth rates within clear timeframes
- the target markets' main supply or value chains and business models, and any barriers to entry that exist
- the current UK position in targeting these markets
- the size and main features of any other markets not already listed

If your project is highly innovative, where the market may be unexplored, describe or explain:

- what the market's size might be
- how your project will try to explore the market's potential

Question 5. Outcomes and route to market

How are you going to grow your business and increase your productivity into the long term as a result of the project?

Describe or explain:

- your current position in the markets and supply or value chains outlined, and whether you will be extending or establishing your market position
- your target customers or end users, and the value to them, for example, why they would use or buy your product
- your route to market
- how you are going to profit from the innovation, including increased revenues or cost reduction
- how the innovation will affect your productivity and growth, in both the short and the long term
- how you will protect and exploit the outputs of the project, for example through know-how, patenting, designs or changes to your business model
- your strategy for targeting the other markets you have identified during or after the project



If there is any research organisation activity in the project, describe:

- your plans to spread the project's research outputs over a reasonable timescale
- how you expect to use the results generated from the project in further research activities

Question 6. Wider impacts

What impact might this project have outside the project team?

Describe, and where possible measure:

- the economic benefits from the project to external parties, including customers, others in the supply chain, broader industry and the UK economy, such as productivity increases and import substitution
- any expected impact on government priorities
- any expected environmental impacts, either positive or negative
- any expected regional impacts of the project

Describe any expected social impacts, either positive or negative on, for example:

- quality of life
- social inclusion or exclusion
- jobs, such as safeguarding, creating, changing or displacing them
- education
- public empowerment
- health and safety
- regulations
- diversity

Question 7. Project management

How will you manage the project effectively?

Describe or explain:

- the main work packages of the project, indicating the total cost of each one
- your approach to project management, identifying any major tools and mechanisms you will use to get a successful and innovative project outcome
- the management reporting lines
- your project plan in enough detail to identify any links or dependencies between work packages or milestones

You can submit a project plan or Gantt chart as an appendix to support your answer. It must be a PDF and can be up to 2 pages long. The font must be legible at 100% zoom.

Question 8. Risks



What are the main risks for this project?

Describe or explain:

- the main risks and uncertainties of the project, including the technical, commercial, managerial and environmental risks, providing a risk register if appropriate
- how you will mitigate these risks
- any project inputs that are critical to completion, such as resources, expertise, data sets
- any output likely to be subject to regulatory requirements, certification, ethical issues and so on, and how will you manage this?

You can submit a risk register as an appendix to support your answer. It must be a PDF and can be up to 2 pages long. The font must be legible at 100% zoom.

Question 9. Added value

What impact would an injection of public funding and private sector investment have on this project?

Describe or explain:

- if this project could go ahead in any form without public funding and if so, the difference the public funding would make, such as a faster route to market, more partners or reduced risk
- the likely impact of the project on the business
- why you are not able to wholly fund the project from your own resources or other forms of private-sector funding, and what would happen if the application is unsuccessful
- how this project would change the nature of R&D activity you would undertake, and the related spend

Question 10. Costs and value for money

How much will the project cost and how does it represent value for money for the team and the taxpayer?

Describe or explain:

- the total eligible project costs and the grant you are requesting in terms of the project goals
- how this project represents value for money for you and the taxpayer
- how it compares to what you would spend your money on otherwise
- any sub-contractor costs and why they are critical to the project



3. Finances

For full details on what costs you can claim please speak to your Northern Angel Hub representative.

Background and further information

If you need more information, email us at jordan@supernetwork.co.uk or call us on 07581296570.