

# Industrial Strategy Challenge Fund Healthy Ageing

DHI  
Scotland  
11<sup>th</sup> September 2019



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# Agenda



- Background to Healthy Ageing Challenge
- Overview of Trailblazer stage 1
- Investment accelerator round 1
- Q&A

# Ageing Society Grand Challenge



*People will enjoy **five more years of healthy, independent life** by 2035, whilst narrowing the gap between the experience of the richest and poorest  
(measured through improvements in disability-free life expectancy)*

Health & Care

Homes,  
Families &  
Communities

Work,  
Learning &  
Purpose

Finance &  
Economy



# Healthy Ageing Opportunities



**The ambition is to impact on the lives of millions of people within a decade.**

This will have both social and economic impacts, and is a global opportunity for business:

- Across the EU, there were 199 million people aged 50+ who consumed €3.7 trillion of goods and services in 2015.
- In 2015, the Silver Economy sustained over €4.2 trillion in GDP and over 78 million jobs.
- If ranked among sovereign nations, the Silver Economy would be the third largest economy in the world, behind only the USA and China.



# The Healthy Ageing Vision

To enable businesses, including social enterprises, to develop and deliver products, services and business models that will be adopted at scale which support people as they age. This will allow people to remain active, productive, independent and socially connected across generations for as long as possible.

# Healthy Ageing Challenge Investments



## Community of Practice

### Research

- £8.6M
- Social, behavioural and design research
- Multi-disciplinary, multiple institutions

### Investment Accelerator

- £29M + match
- Individual innovations with clear potential to be adopted at scale

### Trailblazers

- £40M + match
- Larger 'service integration' collaborations
- Impact at scale

## Early Stage Pipeline

# Trailblazer stage1

# Trailblazers Aim



## Aim

The aim of the Trailblazers is to encourage businesses and public sector led collaborations, including social enterprises, to develop and demonstrate how products, services and business models which support people as they age will be adopted at scale.



# Trailblazer Outcomes



## Businesses

The development and demonstration at scale of new business models together with the supporting services and products that allow them to improve their market offering and secure new revenue streams, including exports.

## Place Based Collaborations\*

The demonstration of an ecosystem of sustainable businesses needed to achieve a positive impact on a target population which incorporates people with widely varying aspirations and needs.

# Trailblazers Competition Structure



The focus is on supporting adoption at scale and addressing gaps in the market for aspirational, affordable and easily accessible services and products.

## Stage 1 Discovery

- Up to £100k to develop a business case, benefits plan, designs and governance
- 5 months to deliver

## Stage 2 Implementation

- A closed competition open only to the Stage 1 projects
- Up to £6m per application plus minimum 50:50 match funding
- Up to 4 years to deliver

# Trailblazers Approach

Your proposed approach as an applicant must:

- Incorporate principles of user-centred design.
- Address the tension between innovation and implementation, and the barriers to adoption
- Establish an evaluation method specific to the proposed scope which will need to be approved by UK Research and Innovation as part of your stage 2 application
- Demonstrate commitment to contribute to a challenge-wide set of knowledge sharing and evaluation activities determined by UK Research and Innovation

# Projects must outline

- the intended benefits of the project
- the populations that will be used to demonstrate those benefits
- how that population will be accessed.
- how significant inequalities in health-span will be targeted
- how to reach both urban and rural populations, (if appropriate)
- a clear commitment to achieve the overall 50% match-funding in stage 2
- a strategy to further exploit healthy ageing related markets on completion of the Trailblazer proposed project

# Trailblazers Scope

We will fund a portfolio of projects across the seven themes:



We will consider projects that address healthy ageing challenges outside of these themes

# Out of Scope

- innovations that involve the introduction of novel health and care system-wide collaborative funding mechanisms, such as accountable care
- clinical or fundamental research
- the development of early stage technologies
- projects that cannot obtain at least 50% match funding for their stage 2 project
- overseas businesses or organisations

# Trailblazer Eligibility



## Lead

- be a UK registered business of any size (including social enterprises), or a public sector organisation (including local authorities and Local Enterprise Partnerships)
- carry out its project work in the UK
- intend to exploit the results from or in the UK
- intend to apply for the stage 2 of the competition, if invited
- intend to lead a collaboration for stage 2 of the competition

## Collaborator

- be a UK registered business, academic institution, charity, public sector organisation or research and technology organisation (RTO)
- carry out your project work in the UK
- intend to exploit the results from or in the UK
- be invited to take part by the lead applicant

# Key dates

- 23<sup>rd</sup> September - Trailblazer Stage 1 competition opens
- 3<sup>rd</sup> October – Briefing event - London
- 4<sup>th</sup> October – Online briefing
- 27<sup>th</sup> November – Trailblazer competition closes





# Investment Accelerator Round 1

# Competition Objectives



- Provide support to help develop and take to market healthy ageing innovations
- Specifically target innovations with clear potential to be adopted at scale
- Encourage investment in innovative healthy ageing technologies outside an investor's risk appetite

# Competition Proposals



Your proposal should outline:

- how you will invest alongside grant capital
- how this differs from your normal investment activity - change in risk appetite
- how you will attract the companies seeking investment in the healthy ageing market
- how you will support portfolio companies to take innovation to market and maximise their growth potential
- how you will add value to the businesses over and above the investment made
- how they'll generate measurable social and economic impact
- your strategy for encouraging diversity (age, gender or ethnic diversity) among the applicant companies

# Competition Structure

- You will need to demonstrate that you can invest at least **4 x the grant allocation fund** into a portfolio of healthy ageing technology companies over a **5 year timeframe (by 2025)**
- At least **1 x the grant allocation** to be deployed at the same time as the grant funding to support companies to carry out healthy ageing R&D projects by 2023
- This total can include the full investment value of a syndicated round, subject to you acting as the lead

# Competition Structure cont.

- New deal flow
- SMEs already in your portfolio for a specific project
- SME total project sizes can be £100K - £1.5 million ; Project duration up to 2yrs
- Feasibility and/or Industrial Research as defined by EU

# Charges and fees

Charges and fees will be drawn from the grant allocation to cover the following

1. IUK's fees - monitoring officer and assessment charges – invoiced half-yearly in arrears and inclusive of VAT
2. IP's fees – based on a fixed schedule – invoice quarterly in arrears and inclusive of VAT

Based on following assumptions / conditions:

1. Monitoring officer charges: £5,400 for 1 year or £9,000 for 2 years
2. Assessment charges: £600 per assessment
3. IP's fees should be broadly based on fixed additional operational costs incurred in operating the Scheme for the provision of the services which are additional to the IP's standard business activities
4. Fees can be charged up to the deployment date

# Competition Scope (SMEs)



SME projects funded must focus on one or more of the following specific themes:

- sustaining physical activity
- maintaining health at work
- designing for age-friendly homes
- managing common complaints of ageing
- living well with cognitive impairment
- supporting social connections
- creating healthy and active places

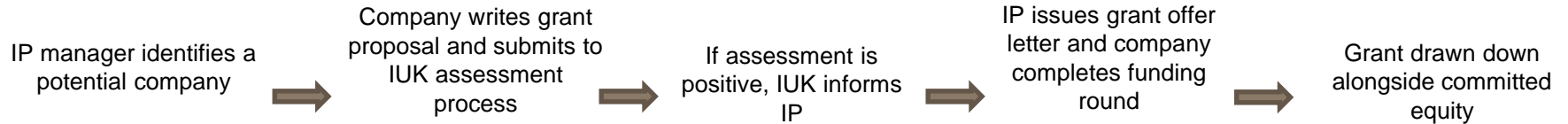
# Out of Scope

Projects that:

- are purely at the technical feasibility or proof of concept stage with the exception being for a single, short milestone that may be required to reach go/no-go decision to rapidly move into product development and/or proof of market studies
- are not carried out by SMEs
- are collaborative R&D projects
- are carried out by SMEs that are not attracting at least the same amount of private investment into the SME
- are not part of a company's plan for business growth
- cannot present evidence that their idea or concept has the potential to lead to significant return on investment, growth and scale-up of the business
- are large capital infrastructure such as new buildings



# How it works in summary



## Post investment

- IUK monitoring officers (MOs) check use of funds and milestones for drawdown
- IP releases grant payments
- IP provides tracking reports to IUK

# Investor Partner eligibility criteria



Eligibility	<ul style="list-style-type: none"><li>✓ Must be an equity investor with a UK office</li><li>✓ Commit to identifying a portfolio of 'healthy ageing' technology micro, small or medium enterprises and social enterprises you are willing to invest in</li><li>✓ Demonstrate you have, or can raise on demand, enough capital to equal Innovate UK's grant and provide the additional follow-on funding</li><li>✓ Able to meet all operational requirements to manage the grant allocation</li></ul>
Grant Allocation	£1m to £6m
Duration	SME projects complete and grant deployed by 2023 Follow on funding committed by 2025

# Allocation agreement



- You can download the template allocation agreement from the secure FTP site after you register for the competition
- It is important that you read this before applying as it contains detailed information on the programme, the investor's obligations and Innovate UK's obligations
- If you are successful in the application process, this template will form the basis of our contract with you
- You will need to sign the agreement before the grant can be allocated to you

Open date	19 August 2019
Briefing event	10 September 2019, London
Registration deadline	Midday 30 October 2019
Close date	Midday 6 November 2019
Invitation to interview	22 November 2019
Presentation submitted to Innovate UK	28 November 2019
Planned date for presentations to Investment Advisory Board (IAB) London – venue TBC	9 and 10 December 2019
Applicants notified	13 December 2019
Confirmation of allocation	By 31 March 2020

Customer Support Services: 0300 321 4357 (Mon-Fri, 9am-5:30pm)  
[support@innovateuk.ukri.org](mailto:support@innovateuk.ukri.org)

UKRI Website:

- [www.ukri.org/innovation/industrial-strategy-challenge-fund/healthy-ageing/](http://www.ukri.org/innovation/industrial-strategy-challenge-fund/healthy-ageing/)

Knowledge Transfer Network:

- [www.ktn-uk.co.uk](http://www.ktn-uk.co.uk)

Innovate UK:

- <https://www.gov.uk/government/organisations/innovate-uk>

## Q&A