

Creative England Interactive Healthcare Partnership

Application Guidelines



1. Overview, aims and objectives

Creative England operates with the core purpose of supporting the sustainable growth of independent creative businesses, and the talent that feeds them, in every part of England outside of London.

The Creative England Regional Growth Fund is a private sector-led fund intended to stimulate development in creative and digital SMEs working in cross-platform content and services. We are looking for companies in the English regions that want to innovate and grow and be more competitive within the digital communications, TV, film, games, interactive and mobile content sectors.

The Regional Growth Fund supports the development of innovative content and cross-platform applications for the following markets:

- Cross Platform TV development
- **Healthcare**
- Government Services
- Games and Interactive Entertainment
- Business To Business content
- E-Learning
- Mobile applications

Interactive Healthcare Partnership Fund

Creative England is working in partnership with three regional Academic Health Science Networks to support the development of digital products and services in response to priority unmet needs and challenges in health and social care that will benefit communities in England outside of London.

What activity we support

We are looking to invest in small or medium enterprises (SMEs) who are in an advanced stage of developing and commercialising products for the healthcare sector. We are not looking to invest in products that are currently in a research and development stage, but products at advanced prototype/beta testing to full market ready positions. Successful applications will need to demonstrate a clear business proposition and the capacity for business growth. You will

need to demonstrate both a clear route to market and your ability to realise the growth potential through the creation and safeguarding of jobs. Investments will be contracted to job creation and/or safeguarding commitments at a rate of one job per £7,000 invested (see Section: Jobs for more detail).

Submissions are particularly welcomed from SMEs that can already demonstrate a degree of market traction in terms of sales and/or who can demonstrate existing involvement with the NHS. This might take the form of the support of a clinical champion or through knowledge of health and social care challenges developed through working with clinical or expert patient groups.

2. Our Partners

North West Interactive Healthcare Partnership

In partnership with the Greater Manchester AHSN Creative England has ring-fenced £250,000 of Funding to support the development of innovative concepts or prototypes using digital technology to improve patient care and health services. Priority will be given to projects that support the GM AHSN priority areas as identified within the GMAHSN [objectives](#). The objectives include the development of standalone products, content and/or software that:

- Promote the interaction and sharing of health information, in a safe and secure way, to drive better experience and outcomes for patients and carers.
- Develop new ideas for patients or clinicians in the domains of cardiovascular disease and the safe use of medications.

West Midlands Interactive Healthcare Fund

In partnership with the West Midlands AHSN and the Heart of England NHS Foundation Trust Creative England has ring fenced £500,000 of investment to assist companies with the development of standalone products, content and/or software that support the WM AHSN priority areas. These priority areas include products that support:

- Long term health conditions
- Wellness and prevention of illness
- Advanced diagnostics, genomics and precision medicine
- Mental health crisis care

Priority will also be given to products that have the active involvement of the Heart of England NHS Foundation Trust and/or the West Midlands Academic Health Science Network.

Yorkshire and Humber Interactive Healthcare Fund

In partnership with the Yorkshire & Humber AHSN Creative England has ring fenced £250,000 of investment to assist companies who are seeking increased adoption of innovative digital health and wellbeing products and services in the NHS and wider health and social care marketplace. Companies must be developing standalone web, mobile and tablet products, content and software that support the Yorkshire & Humber AHSN priority areas. These priority areas include products that;

- support citizen empowerment and maintaining independence for people living with Long Term Conditions (LTC's);
- medicines adherence and optimization;
- public health and wellbeing priorities (e.g. obesity, alcohol and smoking cessation) and reducing inequalities in health;
- patient safety and falls prevention;
- improving mental health and wellbeing (including young people's mental health).

Examples might include:

- screening devices or smartphone apps to support people to understand and manage their conditions,
- discrete home-based remote monitoring systems to support independent living (for example sensors to monitor gait or location tracking for people with dementia),
- screening and diagnostic tools for use in community or primary care settings,
- wearable technology and apps which enable data sharing and decision support between individuals, families and carers, and healthcare professionals,
- applications that enable the safer compliance, management and use of medicines.

3. How much is available?

The fund totals £1m which is distributed as investments of £25,000 to £200,000 per application. Each investment must be matched 50/50 by funding from the applicant company. Each investment will be made on commercial terms as either a revenue share, business loan or equity investment. The terms of our investment will be set out in a funding agreement between Creative England and the applicant company. Please see our Creative England Investments FAQs for more clarification on the types and terms of our investments.

4. The application and decision making process

- The programme will remain open until the 30th of September 2016 or until funds have been exhausted.
- EOIs will be assessed weekly and applicants notified with successful applications being put forward to full application stage
- Assessment of full applications will be conducted internally and by external partners and assessors.
- Background internal due diligence will be carried out and proposals shortlisted
- Applicants will be invited to pitch their proposal at our monthly Investment Committee
- Decisions will be communicated to applicants shortly afterwards and further due diligence will be carried out
- Funding agreements will be issued on successful completion of Due Diligence

We recognise the commercial imperatives that surround product development and will try wherever possible to 'fast track' applications. Our ability to give quick decisions will ultimately depend upon the following factors:

- The completeness of the application and any requested supporting information including confirmation of partnership funding and distributor/ broadcaster/ publisher/ buyer interest.
- The amount of funding applied for.
- The number of product development applications being assessed by the Investment team at the time of application.

Assessment:

Once we have received your application, it will go through a formal assessment process. This will be undertaken internally by Creative England and, where appropriate, externally by appropriately qualified independent professional advisors.

The assessors will consider, amongst other things:

- The viability and track record of the applicant company.
- The ability to demonstrate a clear route to market
- The level of knowledge of health and social care challenges developed through working with clinical or expert patient groups (or both).
- Technical expertise and ambition of the team to deliver on plans
- The quality of the creative elements.
- Cost efficiency

- The viability of your business plan
- The likelihood of growth and jobs creation and the timeliness of these outcomes.
- The availability of key talent.
- The market viability of the project and the likelihood of it proceeding to production;
- The likely long-term economic impact of the project should it proceed to production and
- The fit with the strategic aims of the Fund.
- The viability of the development budget & development plan.
- The commercial competence of the proposal and business experience of the applicant company.
- The nature of the partnership funding provided.

Offer:

If your application is successful, you will be made a formal offer in writing which sets out the level of financial assistance agreed and the conditions under which it will be made.

If your application is unsuccessful, we will let you know the reasons why and offer you feedback on your application. There is no appeal against the decision itself but if you have concerns about any aspect of the application process, Creative England has a detailed Complaints and Appeals Procedure in place. Details are available on request.

5. Business terms

Initial offers made to companies will be subject to due diligence and will remain open for a period of one month. The offer must be accepted within this time frame or will become void. On successful completion of due diligence a final loan agreement will be issued.

Arrangement fee: In order to cover Creative England's legal and due diligence costs, we charge an arrangement fee of 5% on all investments. Creative England strives to keep this fee to the bare minimum needed to cover our costs and generates no profit whatsoever from the investments. All revenues made from investments will be put back into future investment programmes in effect creating a 'revolving fund' to enable us to support creative business in the future.

6. Monitoring & evaluation

If your application is successful, we will monitor your progress for 3 years. This will allow us to measure the effectiveness of the investment in meeting its strategic aims.

7. Full Application Form Guidelines

Section: The Applicant Company

We will use the information you provide in this section for due diligence and subsequent contract development, therefore please ensure all company information is accurate.

Please note that the fund is strictly targeted at small and medium enterprises (SME) as defined by the European Commission.

An SME will feature the following characteristics:

- Has less than 250 Employees
- Has either (1) an annual turnover not exceeding €50 million (approximately £39 Million) or (2) an annual balance sheet total not exceeding €43 million (approximately £33.5million);
- 25% or more of the capital or the voting rights are not owned by one enterprise, or jointly by several enterprises falling outside this definition of an SME.

For further advice on business types please visit the European Commission Website for guidance:

http://ec.europa.eu/growth/smes/index_en.htm

Please note that this fund is unfortunately not available to local authorities or academic institutions.

The fund is open to companies operating in England, outside of Greater London, with priority given to those companies based in our partnership areas which include Greater Manchester, West Midlands, Yorkshire & Humber and the South West. Projects must develop new digital health solutions and they should be able to demonstrate a clear route to this market.

Section: Your Proposal

Amount requested

Please enter an amount between £25,000 - £200,000 in whole pounds.

Equity – This question is only relevant to applicants seeking equity investment. If you are seeking an equity investment, please clarify exactly how much equity you are offering for the investment amount requested. You will also need to clarify your company's pre money valuation.

What does your organisation do?

You may wish to highlight achievements that are particularly relevant to the project proposal.

Project title

Please give the full title for the project that is the subject of this application.

Project team

Please outline the key staff who will be working on the project, describe their roles and their experience. (200 words max)

What is the proposal and how will it grow your business?

Please outline the proposal clearly and succinctly, avoiding any unnecessarily technical or complicated jargon. How will the investment create new business growth and sustainability? We're particularly keen on applications that respond to our AHSN partner's strategic priorities outlined in section 2.

What is the specific healthcare challenge you are trying to address and what is the commercial opportunity around this?

As this fund is particularly focussed on disruptive healthcare solutions please use this opportunity to tell us about the problem you are trying to solve, and why you believe there is a market for it.

What evidence do you have that your product has a market and customers who will buy it?

Please describe your customer, the size of the market, the proportion of that market which is relevant to your business plan along with a rationale that substantiates why customers will want to buy your product.

What is innovative or special about your product that will give it a competitive edge over your competitors?

Tell us what is commercially, scientifically or technically innovative product and/or company with consideration to Intellectual Property. Please also provide detail on your competitors and your unique selling proposition over your competitors.

What is your route to market, how have you priced your product and what is this based on?

Tell us how you intend to sell your product and why you have taken this approach. Please also tell us about your thought process behind pricing your product.

What are the timescales for delivery and when will the product be launched?

Please provide details of the key milestones in delivering your product to market.

If you are developing a product or service for the healthcare sector, please describe your current level of engagement with the NHS, AHSNs and the wider health sector?

Attachments

This is your opportunity to attach any additional information that will support your application. Strong applications will already have given thought to an investment deck or business plan

Section: Finance

Throughout the finance section please enter all monetary values with no currency signs or commas.

Total project budget

Please enter the amount you are planning to spend on the project, including the amount of investment requested in this application.

Please complete the finance spreadsheet linked on our website here:

<http://www.creativeengland.co.uk/business/interest-free-business-loans>

Follow the link to download our finance template. Please then complete this with your cash flow, revenue projections and latest profit and loss figures. Guidance on completing the spreadsheet is provided on the front page of the spreadsheet. Please then upload the completed spreadsheet onto our online application system using the upload function.

Please explain the assumptions behind your revenue projections. What are these based on?

Please provide us with your projections for how this project and the company as a whole will make money. Is this based on previous experience, or a previous launch of an earlier version of a product?

How will Creative England receive a return on our investment?

If this is via revenue share deal, please detail your proposal of how this will be repaid to us. If it is via equity, please outline the growth and exit plan for your business. If this is a loan, please outline your proposed repayment schedule.

How much match funding are you bringing to the project?

The maximum investment through the fund is 50% of total development costs, so you will need to find 50% either through alternate external or internal investment.

Where is the match funding coming from and is it confirmed?

Please provide details, including any application dates and when you expect to receive the match funding.

*Please note – we can only count match funding as cash in the bank at time of investment. Money previously invested into a project cannot count. Creative England will only make the loan payment to you when we have a signed copy of your bank statement showing the match funding in place.

Have you received any state aid in the last 3 fiscal years?

Please detail the amount of state aid you have received in the past 3 fiscal years. Please note that state aid can include grants, subsidised loans and rent, business support and investment through tax-efficient scheme such as SEIS. The Creative England Business Loan operates under 'De Minimis' State Aid rules. This means that a private company cannot receive over €200,000 worth of public sector support granted under 'De Minimis' from whatever source in any three year rolling period. For further advice on De Minimis and State Aid please use visit the Department of Business, Innovation and Skills website: www.gov.uk/state-aid

The value of the state aid will be calculated at the point of awarding the loan to the company and will be based on the difference in cost between a commercial loan and a loan through this project.

Company turnover

Please detail your company turnover and profit for the requested fiscal years.

Accounts

Where accounts are available, please upload your latest full and management accounts.

Section: Jobs

This programme is interested in job creation and safeguarding vulnerable jobs. For every £7,000 Creative England investment, we require companies to safeguard and / or create at least one job. For example if the application is for an investment of £70,000 it is expected that this will create and safeguard 10 jobs.

Number of employees:

How many employees does the company currently have? NB: for part time employees please provide full time equivalent. Please note that the RGF regulations state:

Full-time job (FT) = 30 hours or more per week; minimum of 12 months contract

Part-time job (PT) = more than 15 hours, but fewer than 30 hours per week;

Two part-time jobs of 15-29 hours per week = one full-time equivalent (FTE).

How many jobs are you planning to safeguard?

These are jobs that will be maintained as a result of the investment. Jobs are considered safeguarded where there is real threat that they will be lost within 12 months if funding support is not provided.

How many jobs are you planning to create?

Please note; a role can be counted as a job created once the position has been filled for at least 12 months. You have two years from the date of the investment to create any contracted jobs.

Written confirmation of this will be required if the application is successful.

8. Contact Information

If you have any further questions around the programme please contact our Investment Manager Tim Evans at tim.evans@creativeengland.co.uk

You can also speak to our strategic partners to get a better idea of how your proposal fits with our strategic aims.

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