

Post event questions: EEUK online event April 2023

For context: the following comments came through from the sector:

• Concern as to how the 3 endorsing bodies were selected (*answered in webinar*) seeking clarity about the tendering process such as: Were HEIs who were/are endorsing bodies either invited or notified about the tender opportunity?

The Endorsing Body commercial contract was advertised and tendered via the government's commercial portal in the normal way. The contracts are to provide a national service.

 Offering views/support to help with future process amends, as open invitation and welcoming the offer to consult with HEIs about previous schemes, as to what has/hasn't worked well

We are happy to receive feedback either via Premium Education Sponsor network or direct to the Tier 1 reforms inbox <u>Tier1reforms@homeoffice.gov.uk</u>

Seeking information

1. The Home office guidance for the previous scheme (which is still current for legacy endorsing bodies, as we can still switch grads from start-up to innovator) has been removed from the Home Office website.

Can this be re-published as guidance for legacy endorsing bodies?

Guidance for specifically legacy EBs can be accessed via the following link: <u>Legacy Start-up and Innovator visa endorsing bodies: guidance - GOV.UK (www.gov.uk)</u>

Questions Posted

Supporting the process/providing Advice and Guidance

1. Will applicants make a direct application, or will they be referred by home institution?

Applicants will make direct applications to the endorsing body for Innovator Founder endorsements.

2. Will there be support for the entrepreneur from the endorsing bodies to complete an application? Can we see how the application looks.

The Endorsing bodies have a range of resources explaining the application process. EBs are not permitted under the new system to assist in the writing of business plans/providing person specific advice prior to endorsement- this is to ensure objectivity and avoiding conflict of interest (ie not marking own homework).

3. What are the typical timeframes from application to approval?

The normal turnaround time for endorsing bodies in making an endorsement decision is within 28 days. Once an endorsement is obtained and an application has been submitted to the Home Office



applicants will normally receive a visa decision within 3 weeks if they are applying outside the UK, or 8 weeks if they are in the UK.

4. To understand the role that HEIs play in the visa process? Are HEIs working to signpost or as partners (where endorsing bodies will share data as to what applicants from our institutions have been endorsed?)

HEIs will no longer play a direct role in the *visa* process, HEIs remain able to offer enterprise services to their former students in the same was as they do for their domestic students.

5. Is there a set number of endorsements that each of the new endorsing bodies will be given? No, the route is uncapped and under the commercial system and associated governance arrangements the EB generates their own Endorsement Reference Numbers.

The new Endorsing Bodies will be able to generate their own Endorsement Reference Numbers, enabling them to endorse successful applicants.

6. "How should an HEI decide which of the 3 endorsing bodies to direct a graduate towards?.... or is there some sort of automatic system for this. If the latter, how does one access that? It would be great if there was a simple infographic, or bullet point list for HEIs to show how the new process works, step-by-step".

Do applicants choose an endorsing body or they allocated? Can each of the endorsing bodies advise on their approach, benefits, or specialist areas to help?

The university does not need to direct an applicant to a specific EB. The system is now much simpler with 3 sector and region agnostic EBs to choose from. Each EB has a website setting out how to apply and it's the applicants choice as to which endorsing body they apply to, they can select from the Endorsing Body list by following gov.uk page: Innovator Founder and Scale-up visas endorsing bodies - GOV.UK (www.gov.uk)

Application Process: Role/approach of ENDORSING BODIES

1. Is there assessment process for endorsement standardised? Will the three new EB's all follow the same process? If not why not? And how do we offer guidance to our graduates on which EB to go through?

Whilst each EB has their own proprietary methods for assessing applications all 3 are held to the same minimum standards of decision making and the threshold therefore is the same across all 3. Put simply the journey may differ between the three, but the final output will remain the same.

2. Are the requirements set by UKES the same for all of the endorsing bodies? Or Are there any key differences between the 3 endorsing bodies in terns if how the students select which body to apply to? If they were unsuccessful with one, could they apply to another?



The Endorsing Bodies follow the same minimum standards. Whilst not specifically prohibited, the practice of "Shopping around" for an endorsement is not encouraged and is unlikely to succeed given that each EB operates the same minimum standards. The Home Office will be aware if an applicant has made multiple applications across the 3 EBs and will take action if it is believed to be non-genuine and abusive behaviour ie "Gaming the system".

3. Is there guidance for what HEIs must now do to support potential applicants to the Innovator Founder visa? Is there guidance being produced for HEIs?

There is information available on the gov.uk website which includes guidance for endorsing bodies operating under the legacy provisions for the Innovator Founder and Start up routes.

Legacy endorsing body guidance link: <u>Legacy Start-up and Innovator visa endorsing bodies: guidance</u> - GOV.UK (www.gov.uk)

4. What relationship do the endorsing bodies see themselves having with University Partners? Will you be coming in and promoting to students? Providing any initial support?

Endorsing bodies may explain what they do and how to apply to them. Each of the Endorsing Bodies have a range of both free and charged for Added Value support services that can be taken up after endorsement at the applicant's discretion.

Will the endorsing bodies be open to forming relationships with the Universities to help make this transition as easy as possible?

5. Innovator Founder Endorsing Bodies are not allowed to form any relationships which may compromise their objective impartiality as this would be in breach of the Home Office's conflict of interests policy.

Fees

6. Fees: Do the fees go to UKVI or the Endorsing Bodies?

The applicant will pay a fee to the Endorsing Body for endorsement, this is in addition to the fee paid the Home Office for the wider consideration and processing of the visa application.

7. Fees; Just to clarify, who pays these fees? The applicant or the HEIs?

The applicant is responsible for paying the necessary fees for the Innovator Founder visa.

8. Fees: When you mentioned fees there was a one-off fee of £2000. Does this mean that they will no longer have to pay to access UK health services?

The fees mentioned in the presentation were endorsement fees of the Innovator Founder visa, which are separate from the visa application fee and the IHS (Immigration Health Surcharge) fee.



To clarify, the endorsement fees include the £1000 initial assessment fee, followed by £500 checkpoint fees at the 12-month and 24-month marks, resulting in £2000 per 3-year visa cycle (it is not a one-off fee). Additionally, once an Innovator Founder is ready to apply to settle, there is a £1000 charge for settlement endorsement consideration.

Outside of the endorsement fees addressed above, the applicant/s must pay the visa application fee (which varies depending on if they are applying from outside the UK or extending/switching their visa in the UK), and the IHS fee.

Further details on visa application and HIS fees can be found under the 'Fees' section of the following webpage: Innovator Founder visa: Overview - GOV.UK (www.gov.uk)

9. Eligibility Guidance:

- Is there guidance criteria for what types of start-ups are eligible/endorse able?

 Yes this can be found from pages 10-13 of the refreshed EB guidance Scale-up and Innovator

 Founder visa endorsing bodies: guidance GOV.UK (www.gov.uk)
- Any clarity on what this means as per eligibility? "innovative you must have an original business idea which is different from anything else on the market"
 See above
- Can regular or traditional businesses owners apply for Innovator Founder Visa? I mean, restaurants, for instance

No, applicants aiming to open traditional business without an innovation component such as traditional restaurants and corner shops will not succeed in obtaining endorsement.

• Can you clarify what 'Innovative' means in the criteria, as some of the examples used contradict previous 'high brow' perspectives of Innovation

Further details can be found on page 10 of the EB guidance

Scale-up and Innovator Founder visa endorsing bodies: guidance - GOV.UK (www.gov.uk)

The top lines are that:

- business propositions should be able to demonstrate a clear and compelling unique selling proposition (USP) i.e. what is it about the product or service that differentiates it from its competitors?
- The concept for innovation within the business should demonstrate a business proposition that is not easily replicable by others / can demonstrate reasonable barriers of market entry to otherwise replicating their proposed innovation
- The innovation element should be core to the success of the proposed business proposition and be primarily delivered within the business Business plan proposals that should not be considered as meeting the innovative standard include:
- Where the innovation element and associated research, design or implementation is largely outsourced to a third-party provider



- Generic businesses with an only incidental innovation proposition, for example a taxi or cleaning company "with an app".
- How high is the bar going to be set for applications in terms of the three criteria? A high bar
 may see more repeated applications and so more £1000 application fees. Again, is there a
 standardised process that these new EB's must follow so as to ensure there is set review
 standard?

We have released additional guidance on the thresholds in the new Endorsing Body guidance which can be found here:

Scale-up and Innovator Founder visa endorsing bodies: guidance - GOV.UK (www.gov.uk)

10. Can you outline the process for Overseas graduates who wish to continue running a business in the UK and the process for Overseas students who would like to start a business in the UK?

Overseas graduates can start a new business in the UK under the Innovator Founder route as it is possible for them to meet the 70-point threshold required for the route under the 'New Business' criteria highlighted in INNF 5.1. of the Immigration Rules.

Overseas graduates who want to continue running their business in the UK having previously been endorsed under Start can do so if they meet the 'Same Business' criteria of INNF 5.1., . If the applicant founded the business outside of the Start-up or Innovator route (for example as a visa dependent) or the business was not originally founded in the UK, they will need to A. have been an original founder of that business and B. meet the eligibility requirements o apply under the 'New Business' criteria of the Innovator Founder visa.

11. The Home Office is granting the endorsing license to 3 bodies and these bodies will take care of the entirety of the process - application, endorsement, checkpoints - from this point onwards, is that correct?

For existing endorsements from HEI, are business founders (on the Startup Visa) suppose to switch to the new innovator route? If so, what's the deadline and who's the endorsing body? Can HEI graduates still apply for the innovator route after 2 years in the graduate visa?

Innovator Founder Endorsing Bodies and Legacy Endorsing Bodies are responsible for the Innovator Founder process of their successful endorsees.

Existing endorsees on Start-up visas and HEI graduates have the option of applying for the Innovator Founder route, amongst other visa routes, if they believe they meet the requirements. It is not compulsory for them to apply for the Innovator Founder route, but the route would help them work towards settlement in the UK.

There is no set deadline for when they can apply, and applicants can continue their relationship with their existing legacy Endorsing Body when they apply for an Innovator Founder visa.



12. Who will decide what level of funds must be proven to be available to the candidate?

The Endorsing body will consider this as part of its Viability assessment

13. Will HEI's be made aware of any graduates from their institution who are granted an Innovator Founder Visa? As all Enterprise departments we are monitored on Start-Up registrations, can you confirm if there is a student who comes to you as a partner that hasn't come to us about registering as a business would we as their university be updated if successful?

No, HEIs will not be informed as they are a third party for the purpose of the visa application. It would be between you and your students as to whether they utilise University enterprise resources in the development and launch of their business once they have obtained endorsement.

14. What happens to unsuccessful applicants? (How many attempts/are you able to apply until you are successful?)

Answer given during the webinar: one application will be taken, in which it is not possible to suggest lots of different ideas. Endorsing Bodies indicated that they would seek all the documentation at one time, to ensure that the application is "assessable" at the time of application.

15. Can I check if INFF 9.3. (b) of the rules (the requirement specifying that the applicant will need to confirm that they will have at least 2 contact points with endorsing bodies) applies to those switching from Start-up to Innovator Founder, where endorsed by a Legacy Endorsing Body? If yes, should this information be in the endorsing letter? Or will this be addressed in the application form?

Yes it does apply, and yes please include in the endorsing body letter

Changing visa routes:

16. If a graduate is currently on the Startup Visa how do they switch to the Innovator Founder Visa? And how long will they get on the new Founder Visa

Do they have to pay again?

Example: I have a graduate who has just received Start up visa so has almost 2 years on the startup. If they move, do they get the 3 years minus the few days since the start up has been valid for.

Easier example I have a graduate with 5 months left on covid extension part of startup visa. If they switch how long do they get?

Graduates who currently possess a Start-up visa can switch to the Innovator Founder visa when they believe they are ready to apply and their visa cycle will last 3 years at a time.



As above, the applicant will need to pay the endorsement fees for the visa, which include the £1000 initial assessment fee, followed by £500 checkpoint fees at the 12-month and 24-month marks, and a £1000 fee for settlement endorsement consideration.

Alongside the initial assessment fee, the applicant must pay the visa application fee (which varies depending on if they are applying from outside the UK or extending/switching their visa in the UK), and the IHS (Immigration Health Surcharge) fee.

17. Can someone on a graduate route visa who is self-employed, apply and move to the new Innovator Founder visa?

The short answer is that this is not a route for self-employed contractors. The slightly longer answer is they would need to have a plan for then expanding, registering with company's house, and scaling their operation. If they intend to remain a sole trader/self-employed contractor this would not be appropriate.

18. One COMMON question which hasn't been answered yet - how do we support current Startup Visa endorsees to apply for the new Innovator Founder visa route?

Please refer to the following Legacy Endorsing Body guidance: <u>Legacy Start-up and Innovator</u> visa endorsing bodies: guidance - GOV.UK (www.gov.uk)

19. Can someone start on the graduate route and transfer to the innovator founder route (FOR THE SAME BUSINESS or can they change their business)?

Individuals on the Graduate visa route can apply for an Innovator Founder visa, but they cannot apply under the 'Same Business' criteria unless they are on a Tier 1 (Graduate Entrepreneur) visa. They can however apply under the 'New Business' criteria.

20. If a Graduate route visa holder wants to work on/validate a start-up idea before they formally decide to pursue this idea via the Innovator Founder route, can they still switch? What if - as part of their validation processes - already registered a company? Is the 'New' criterion still a part of the Innovator Founder route?

Yes, as long as the applicant can demonstrate that they were a genuine founder of the business when it was first formed they can still switch to the Innovator Founder route for a "new business" endorsement.

Graduates who registered their companies while they were on a Start-up visa would be able to apply for the Innovator Founder visa under the 'Same Business' category.

21. If we haven't already applied to switch from a Startup Visa EB to the Innovator EB, when is the deadline to do so?

The deadline has expired (it was the 12th April 2023)



• We have graduates who are currently on Startup Visas. We haven't supported them to switch to Innovator Founder visas yet. Have we missed the boat? What can we do? / What can they do?

On 13 April 2023, the majority of Endorsing Bodies including HEIs automatically became Legacy Endorsing Bodies, so there is no active process requiring HEIs to switch into a Legacy Endorsing Body.

The capabilities of Legacy Endorsing Bodies are explained in the following guidance: <u>Legacy Start-up</u> and <u>Innovator visa endorsing bodies: guidance - GOV.UK (www.gov.uk)</u>

22. The Endorsing Body guidance for the Innovator Founder route currently lists 4 types of endorsement (page 9). A graduate who starts a business while on a graduate route visa will not fit in any of the 4 categories as their business will neither be "new" or "previously endorsed". Is it possible to transfer from the Graduate Route visa to the Innovator Founder Route for a business which has been started whilst on the Graduate Route? If this is possible, can the guidance for endorsing bodies be updated to make this explicit?

Graduate visa holders who have already established a business are not eligible to apply under the 'Same Business' category of the Innovator Founder route. The "new business" assessment refers to businesses that have not previously been endorsed. The critical point is that the applicant must have been an original founder of the business at the time it is started, but there is nothing preventing a "new business" application several years later as long as the applicant was and has remained an original founding member of that business.

23. Can people who've previously been endorsed for the Innovator visa by a HEI now work outside their own business, as per the rules under the new Innovator Founder visa? They were previously restricted from working outside their business under the old Innovator route

Individuals who possess Innovator visas remain under the same conditions imposed at the time of their original Innovator visa application and cannot work outside their own businesses. Should they apply in future for a further grant of leave this would be done under the Innovator Founder visa and the conditions that would be granted at that point would not restrict work outside the applicant's own business.

24. We have graduates who are currently on Startup Visas. We haven't supported them to switch to Innovator Founder visas yet. Have we missed the boat? What can we do? / What can they do?

Yes only those HEIs that applied to become Innovator Endorsing bodies prior to the 12th April 2023 have now become Legacy Endorsing Bodies. Your students can continue to switch to endorsement with the new suppliers operating under the commercial concession in the same way as those who have not previously been endorsed by you in the start up route prior to 13th April 2023.

Legacy Innovator endorsing bodies can support Start-up visa holders during their applications to become Innovator Founders.

The following link explains what Legacy Endorsing Bodies can do: <u>Legacy Start-up and Innovator visa endorsing bodies</u>: <u>guidance - GOV.UK (www.gov.uk)</u>



Clarifications

25. Seeking clarification as to what exactly a student on Tier 4 visa can actually do in relation preparing to start a business. 'Doing business' seems quite a woolly term and it is possible that local practice amongst the different universities varies quite a bit,

*If as stated in the answers provided by the Home Office, they believe HEIs have a role to play in helping overseas students step into the entrepreneurial eco-system, the wouldn't it be best to be 1) be clear about what is and isn't allowed 2) to have some latitude in what they can do so that isn't all left to the point at which they graduate, e.g. setting up a website to test demand as per a lean start-up approach

The position on self-employment within the student visa route is long standing; we have not changed the rules around this. We understand the views of the HEI sector on this and have fed this back to the student policy team.

26. Are international students allowed to receive a small bursary (£100) to test their idea... e.g., for market research? I am aware that international students on a visa can't run their business whilst on a student visa and the representative from the Home Office reiterated that yesterday he said that whilst they are studying here though they can test their idea, do market research ... but in short they cannot trade. Clarification: are we allowed as a university to give them a small bursary (£100) to test their business idea? For example, we run an accelerator programme which includes a testing phase.... we give all participants one week and £100 to test their idea. This money may be spent on focus groups, little taster sessions.... We monitor what the money is spent on very closely and in many cases we actually make the purchase for them. We have an increasing number of international students, but we are not sure if we can give them this money and would appreciate guidance.

Yes, the concept set out above would appear to be permissible.

27. Scenario Clarification for Graduate who is "undecided and would like to try out entrepreneurial activity" via the Graduate route visa starts a business because they can. Works on this for two years, demonstrates there is a viable business case for sustainability, feasibility, scalability, etc in a way that would massively de-risk the decision to offer an Innovator Founder visa relative to untested business ideas coming through for direct endorsement. However, they can't switch to IF visa because the business is not 'New'. Their Graduate visa expires, they have to close down perfectly good business and leave country.

(Questioner feels that this is "Bad for them; bad for the economy" and is seeking to know if they have understood this correctly as not explicitly seen it stated that this scenario is mitigated against via removal of the 'New' requirement. Risk is that lots of graduates may



fall into this trap without absolute clarity of implications when applying for Graduate route - so seeking clarity as how this scenario can be avoided for all concerned greatly appreciated)

The Innovation requirement is long standing and was in place from March 2019 so this hasn't materially changed.

To clarify on the "new" point. The business must be innovative, but it does not necessarily have to be a brand new business at the point of applying for an Innovator visa, the requirement is that the applicant must have been a genuine original founder of that business when it was formed, and as long as they were a director on Companies House prior to the business commencing trading they can still move into the Innovator visa in 2 years' time (provided the business is innovative, viable and scalable).

28. Regarding moving from the GIR route - it was mentioned that this is a good option if people aren't sure if being self-employed is for them and then they can apply for the Innovator Founder visa. Does that mean that they would need to start Innovator Founder visa application with a brand new idea from their GIR idea, seeing as the criteria for it mentions: within Innovator Founder visa eligibility that you must be able to show that your business idea is: new - you cannot join a business that is already trading

Yes, individuals on the GIR visa route would need to apply under the 'New Business' criteria on the Innovator Founder route. However, if an applicant's previous visa permission was in the Innovator Founder, Innovator, Start-up or Tier 1 (Graduate Entrepreneur) route, they can apply under the 'Same Business' category.

29. What level of work can applicants do outside the business? Examples would be appreciated please, thanks

Applicants can work outside their own businesses as long as the work is skilled to RQF level 3 to support themselves as they get their business off the ground.

In terms of examples, if you look at the skilled worker occupations list, occupation examples are those that if you scroll across "Table 1: Eligible occupation codes where going rates are based on Annual Survey of Hours and Earnings (ASHE) data" under the "Eligible occupation codes" section you can scroll to the right of the table and if the role is appropriate for the Scale Up (SCU) or Global Business Mobility (GBM) routes then the role is considered to be at RQF level 3 or higher.

<u>Immigration Rules - Immigration Rules Appendix Skilled Occupations - Guidance - GOV.UK</u> (www.gov.uk)

30. What assurance is there that current Startup Visa holders (awarded recently) will have a legacy endorsing body to apply for in 2yrs time? By then most legacy Innovator EBs may have ceased their activities.



Start up Visa holders can apply to the new Endorsing Bodies the legacy provisions are soley to allow legacy institutions to continue supporting their existing client base but it does not in itself prevent applicants seeking endorsement under the new provisions.

31. Could HEIs which previously endorsed for Startup Visa (only) be awarded the temporary ability to endorse for Innovator Visa for legacy Start-Up Visa holders (only)?

HEIs that were once Start-up Endorsing Bodies have now become Legacy Endorsing Bodies, capable of endorsing their existing Start-up endorsees with applications for an Innovator Founder visa.

How best to work together

1. To improve communications, where HEIs have not effectively received or disseminated important updates, is there a way to contact to update HO with contact email addresses, and an email also to obtain answers to questions and provide feedback?

HEIs can email lnnovatorRoute@homeoffice.gov.uk to request changes to contact details and to ask questions.

2. Having read the new guidance, I feel there is still some confusion for Legacy Endorsing Bodies and I am sure we will have a number of policy questions going forward. Are we okay to email the Innovator Team for support? If not, who can we reach out to?

HEIs can email linevatorRoute@homeoffice.gov.uk to request changes to contact details and to ask questions.

3. Will the endorsing bodies provide resources, or offer 'on site' or remote support to HEIs? e.g. workshops/promote services etc

Legacy Endorsing Bodies are able to provide additional services to their endorsees (for example, ----), but these services are optional, meaning the endorsee is not obligated to pay for the additional servies.

Future thinking: advice and sector wide recommendation:

- A. As international students are prohibited from engaging in business activity on a student visa, EEUK members/sector colleagues find this makes it very challenging to move from an innovator visa at graduation. Is there any thinking about changing this, to allow our **students to try out a business idea** whilst studying (for example, would it be possible to allow for up to 20 hours of work (term time) and full-time work in the summer to align potential-start-ups with those working for an employer?
 - There are no current plans to change this restriction however we have provided this feedback to the Student Policy team for their consideration.
- B. With others stating, "the inability to trade or test the idea as a student has been the BIGGEST issue with all the visa programmes this REALLY needs to be changed if the scheme is ever to



work properly" or suggesting "maybe 12-months business plan, but for a start up surely 2-years is an estimation and is theoretical until they are trading!"

As above feedback has been provided to the Student Policy Team

C. Will the new 'assessors' understand new business models and ideas. It seems quite traditional at the moment.

The Innovator Founder Endorsing Bodies are sector agnostic and were required to provide solutions that demonstrated a broad ability to assess a wide array of sectors against the "Innovative, Viable and Scalable" criterion.

D. This appears to me that we are moving towards an outdated and improper service for early-stage graduate entrepreneurs - especially with talk of 'case workers' and 2-year business plan and financial plans.

What assurances can we receive that HEI's will have input into making this scheme fit for purpose?

HEIs can provide feedback and queries to the HO either via their liaisons on the Premium Education Team or via the Tier 1 Reforms inbox <Tier1reforms@homeoffice.gov.uk>

E. There was stated concern that this new system is obviously not intended for early start-ups. I'll go as far as saying it even shuts out any businesses outside of the high growth sector with additional concern to the reference to 2-year business plan seems so vastly out of touch with how the best early-stage start-ups actually start-up.

The endorsing criteria was always subject to a scalability (ie high growth potential) requirement, if universities were not applying this in their previous assessments under start up then this would have been in breach of the requirements that have been in place since March 2019.

F. Concern with the process: Universities are critical for developing new entrepreneurial talent. We understand our students and graduates. Entrepreneurship is also local – entrepreneurs don't operate in a theoretical UK-wide vacuum – they have local networks, connections, and opportunities – most likely linked to their university. How do you see cutting the local link, and just having 3 bodies will improve the process? Are you not removing vital local context and support structure?

There is nothing stopping Universities from continuing to provide the same enterprise support as you currently provide to international and domestic students. The part that has been removed pertains specifically to the responsibilities around visa endorsement responsibilities.

G. **University metrics**: Will HEBCI metrics be updated to reflect the fact HEIs will no longer be endorsing startup visas, so there will be a data gap.

The HO does not own HEBCI metrics



H. **Future research:** For anyone interested, University of Reading, Glasgow and Edinburgh are currently working on a research project on the Entrepreneurship Visa. We are practitioners, and are evaluating best practice in the endorsing process, and are also gathering views from institutions across the UK on how we would like the student & graduate entrepreneurship visas to evolve. If you're interested please get in touch ...

https://www.henley.ac.uk/research/projects/henley-centre-for-entrepreneurship-and-aspect-network-project-on-entrepreneurship-visa