



Research and Knowledge Exchange Committee

The forty ninth meeting of the Research and Knowledge Exchange Committee of the SFC was held at 10.00am on 30 April 2015 in Apex 2.

Present: Professor Albert Rodger (Chair)
Dr John Rogers
Professor Andrea Nolan
Dr Allan Colquhoun
Professor Alison McCleery
Dr Siobhan Jordan
Professor Tim Bedford
Professor Chris Hawkesworth
Kevin Moore
Douglas Mundie
Audrey Cumberford
Dr Keith Nicholson

Apologies: Carolyn Reeve (BIS)

Officers: Gary Bannon (Clerk)
Dr Stuart Fancey
Professor Paul Hagan
Keith McDonald
Sophie Lowry
Fiona Bates
Andrew Youngson
Hazel McGraw

Observers: Morven Cameron (Highlands and Islands Enterprise)
Dr Andrew Howie (Scottish Enterprise)
Dr Teresa Martin (Scottish Government)

Guests: Eleanor Mitchell (Scottish Enterprise)
Charlotte Wright (Highlands and Islands Enterprise)

General business

1. Chair's business

The Chair welcomed guests Eleanor Mitchell (Commercialisation Director at SE) and Charlotte Wright (Sector and Business Development Director at HIE) to the meeting and new RKEC member Audrey Cumberland. He updated the Committee on some activity such as;

- Working with the Royal Society of Edinburgh's Young Academy of Scotland and their development of postgraduate study in arts and humanities in relation to pooling, Innovation Centres and the work of Interface;
- The recent Research Pooling Directors meeting, a note of which was circulated; and
- Discussions with the SFC Board in January, highlighting the importance of partnership working, Connected and Innovation Scotland, national research centres in a number of key sectors, interest in gap analysis, Interface and their additional activities and Scottish Government plans for Innovation and Investment hubs in key global locations.

He asked that a research map of Scotland be developed and noted that an audit of national laboratories would also be very useful considering such significant developments such as Fraunhofer, Max Planck, Innovative Medicines Initiative, Biocity and the catapult centres in order to understand what is available nationally.

The Director of Research and Innovation updated the Committee on the development of a research map of Scotland and highlighted some considerable progress that Innovation Centres have made since last meeting such as the meetings of an IC admin-hub group (20 Jan) and a Principals' meeting (16 March) resulting in better understanding and clarity of 'managed risk'. He also updated the Committee on the development of the IC's Challenge Fund focusing on health, he stressed that there was a further meeting tomorrow after which more clarity can be shared with the Committee. He also updated the Committee on the Monitoring and Evaluation Framework now in place, the new approach to the formal annual review which is intended to focus more on the strategic direction of ICs and sustainability. There is also now a newsletter which members can be signed up to and a meeting is planned for later in the year between ICs, Scottish Government, SFC, SE and HIE to explore and explain where we are and to further promote the work of the ICs.

2. Minute of the 20 January 2015 meeting and matters arising

Approved. The Chair highlighted some points from the minute such as how he and the Committee were extremely concerned with how small the executive team was and that more resource in this crucial area would be very welcome. He reminded the

executive and Committee to consider what lessons can be learned from joint REF submissions and asked that Internationalisation should return to the agenda. He reiterated the need for a research excellence map of Scotland to be developed.

3. Innovation Centres and the Enterprise Agencies

RKEC/15/09

Eleanor Mitchell (Scottish Enterprise) and Charlotte Wright (Highlands and Islands Enterprise) gave a presentation explaining the role of the enterprise agencies in the Innovation Centres Programme and posed a few questions for the Committee to consider.

The following points were raised in discussion;

- Innovation Centres are a fantastic example of the public sector collaborating well as partners;
- Strong industry demand is critical to the success of each IC;
- Important to understand what is holding back companies who do not innovate, many are small and focused on survival and need to be helped and encouraged to 'lift their heads';
- We must raise awareness and understand their business strategy and explain how innovation can support their bottom line;
- Ease of engagement with HEIs is crucial and ICs helping to smooth things;
- Evidence that only a small percentage of companies would ever turn to public sector to help them solve their innovation challenge;
- There are many companies in the system currently working with the public sector and support to these companies should be enhanced rather than adopting a 'scatter gun' approach to target all companies generally;
- Knowing which businesses to target is key and marketing will follow from exemplar projects and a coordinated approach will be taken to aligning business development staff with ICs;
- Business champions would have a big influence;
- ICs should not be interested in innovation for innovation's sake but must ensure innovation feeds improved commercialisation - all ICs are being driven by business who will only engage if there is money to be made;
- ICs moving from start up phase to delivering first projects (in most cases from exemplar project funding) what more could be done to assist with scale up?
- Need for shared information, ICs are diverse but can all learn from each other;
- There can be a significant jump in cost to a company when innovating as support does not exist to fund manufacturing - a key part of commercialisation journey;
- What should sustainability look like for ICs and on what timeline?
- SFC in for the long term and culture change will be driven by industry-demand with success dependent on continued partnership working;

- This investment is the catalyst for change but ICs will be monitored very carefully;
- Culture change needed within businesses to overcome some negative perceptions;
- SFC must be better at promoting successes.

Recommendations

The Committee and executive were very grateful to Eleanor and Charlotte for the interesting presentation and discussion. Their slides will be made available to RKEC members and SFC board members.

4. Development of SFC's Strategic Plan

RKEC/15/10

The Chair introduced this item offering some general comments and encouraging members to concentrate on p.18 onwards and offer any views and respond in writing through consultation exercise or through RKEC clerk.

The following points were raised in discussion:

- The draft strategy reads as 'business as usual' and could articulate ambition better;
- Strategy seems safe and risk averse, could be sharper and bolder;
- Research training area needs a lot of work to include thread of entrepreneurial focus and the development of early career researchers need highlighting;
- What do we mean by 'internationalisation' and the work of SFC? We need to be more specific;
- Gap between ambition on left side of page and means of achieving it on right;
- Strapline of 'best place' is immeasurable.

Recommendations

The Committee were encouraged to complete a return as part of consultation process generally and/or send comments and suggested changes to RKEC Clerk.

5. Knowledge Transfer Grant Review

Oral

Stuart Fancey updated the Committee on recent meetings of the KTG Working Group (19 March and 14 April) and stressed that he did not want to say too much with the working group set to meet a further time and report on progress to RKEC at joint meeting on 19 May.

The following points were raised in discussion:

- The Working Group is supportive of strengthening the link between the KTG, the broader innovation agenda and Outcome Agreements, this approach was supported by US RKEC Convenor;
- Whether any external audits of KTG money had taken place and whether this information is worth considering in the context of the review;
- It is not essential that the consultation takes place over the summer months but it must be completed by February 2016.

Recommendations

The Committee noted progress with the KTG review and welcomed notification of the working group's conclusion prior to the joint meeting on 19 May.

6. Innovation Scotland Update

Oral

Andrew Youngson gave an update on progress and the development of an action plan since the Innovation Scotland Forum Working Group convened on 1st and 21st April. This group has worked closely with the new Scotland CAN DO Forum to bring forward high level actions and crucially apply actions to them. Andrew stressed to Committee that partners had not been waiting for actions to be agreed *via* Innovation Scotland Forum in order to be progressing with work, he sighted the development of new common contracts for Innovation Vouchers and sectoral relationships with Industry Leadership Groups as extremely positive developments. He informed the Committee that a fully developed action plan will be considered at the Innovation Scotland Forum meeting on 4th June where it is hoped it will receive Ministerial sign off.

Recommendations

The Committee noted the update on progress. The executive will keep the Committee informed regarding action plan and meeting on 4 June.

7. Research Pools Update

RKEC/15/11

Hazel McGraw introduced this paper which set out the background to SFC's pooling initiative, provided an update on progress with evaluation of pools and future funding and asked for RKEC to advise on taking forward subgroup's recommendations regarding SIRE.

The following points were raised in discussion:

- This was a very important decision for RKEC;
- The subgroup implemented a rigorous approach to assessment of proposals, providing feedback to pools and additional support from the executive to make adjustments and provide assurances where necessary;
- The sub-group was minded not to fund SIRE after initial submission in August 2014. SIRE was given a further opportunity to address a number of issues, an amended proposal was received but did not sufficiently address the subgroup's concerns;
- The application continued to fail to demonstrate the leadership expected to be needed to shape the agenda for economics in Scotland;
- The Committee supported the subgroup's recommendation that this proposal should receive no support beyond that already allocated;
- Members considered the importance of 'economics' to the Scottish economy and considered alternative methods for support, however it was agreed that were any alternatives to be considered this had to be in the context of a research map of Scotland.

Recommendations

The Committee endorsed the subgroup's recommendation that the SIRE proposal should not be supported.

8. Research Excellence Grant

RKEC/15/12

Paul Hagan introduced this paper and updated the Committee on the discussions at SFC Board regarding the allocation of REG funding and the use of the new model. He highlighted the conclusion of the Global Excellence Initiative as well as the REF results themselves as significant factors and that the Board sought a pragmatic solution taking into account the impact across the the entire sector.

The following points were raised in discussion;

- The three years it will take for full allocations to be delivered under new model do not reflect the dynamism evidenced in REF;
- Universities have not improved by accident and given there is support for the model, significant changes should be accepted in good times and bad. However, there are two sides to that with significant funding reductions weighed up against gains for others;
- REG funding actually increased by 0.5% but the loss of the Global Excellence Initiative led to an overall reduction in the funding available for research. This

funding situation has made it difficult for some institutions to understand how they improved their REF score but will receive less funding;

- Deeply disappointed in loss of funds to overall research budget considering brilliant trajectory Scotland's universities are on, need a research map of Scotland to understand what we fund in Scotland and what is best for Scotland.

Recommendations

The executive to continue working to develop research map of Scotland and to bring discussion back to Committee at future meeting.

9. Forward Agenda Plan

RKEC/15/13

This paper was unstarred and will be discussed at each RKEC meeting. The Chair encouraged members to send in agenda suggestions to executive and reminded them that this was their agenda which they must help to shape in order to cover key strategic areas.

10. Date of next meeting

Members noted that there is a joint meeting of SFC and Universities Scotland's RKECs on 19 May 2015 at the University of Strathclyde between 1400-1600 and that the next meeting of this Committee would take place on 10 September 2015 at 97 Haymarket Terrace, Edinburgh.