

## **SFC monitoring and evaluation of strategic projects: annual update**

- This paper summarises work undertaken in 2016 to evaluate Council strategic investments.
- The SFC has a large portfolio of live strategic awards, representing a significant financial commitment. We have a long-standing aim of learning from the achievements of these awards.
- Each award is monitored by policy staff through the collection of periodic returns during its lifetime. End of award returns summarise activity and progress at that stage towards agreed outcomes. Evaluations of selected awards may be undertaken (subject to resources) to explore the impact of SFC investments.

### **Recommendations**

- To note the findings of the evaluations
- To note that the implementation of the new reporting process for strategic awards is proceeding as anticipated.

### **Financial implications**

- No immediate financial implications.



## **SFC monitoring and evaluation of strategic projects: annual update**

### **Purpose**

1. This paper summarises work undertaken in 2016 to evaluate Council strategic investments.

### **Background**

2. The SFC has a large portfolio of live strategic awards, representing a significant and continuing financial commitment. During AY 2015-16, 48 new strategic funding commitments were recommended by the Strategic Funding Group, representing £39.6M, and supporting activity from 2015 to 2020<sup>1</sup>.
3. We have a long-standing aim of learning from the achievements of these awards. Each award is monitored by policy staff through the collection of periodic returns during its lifetime, and other interactions. End of award returns summarise activity and progress towards agreed outcomes at the end of SFC funding. Evaluations of selected awards may be undertaken (subject to resources) to explore the impact of SFC investments.
4. A new standardised reporting process for strategic awards was implemented in June 2016<sup>2</sup>, with the majority of returns being made in the autumn. Returns made during the lifetime of awards contribute to the evaluation of Council's investments. This annual update takes the new returns into account. Council last considered evaluation in September 2015 (SFC/15/42). The timing of this paper is a result of both the new reporting cycle and constraints on Committee and Council agendas.

### **Evaluations**

#### ***Independent evaluations conducted internally***

5. The SFC staff resources responsible for central evaluation-related activity have been focussed on implementation of the new monitoring system in 2016. A small number of staff from across the organisation has been supported in the conduct of independent thematic evaluations using the Council's revised evaluation framework.
6. An impact review of the *Scottish Institute for Policing Research*<sup>3</sup> was undertaken 10 years after SFC's first investment and five years after the period of SFC support ended. This review will be taken to RKEC in February to consider lessons learned.

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<sup>1</sup> 13 FE (£10.1M), 29 HE (13.2M), 6 FE & HE (£16.4M). The bulk of spend is in 2015-16 and 2016-17.

<sup>2</sup> <http://www.sfc.ac.uk/communications/Guidance/2016/SFCGD102016.aspx>

<sup>3</sup> <http://www.sipr.ac.uk/>

7. Draft findings reveal an “exemplary”, strong and sustainable research collaboration which continues to be highly valued by stakeholders, including the police, to deliver on and exceed the outcomes sought when it was established and to demonstrate potential for further development.
8. During the summer of 2016, we undertook a thematic review of *Gaelic strategic awards* made since 2008 to support the aims of the National Gaelic Language Plan (NGLP) and SFC’s own Gaelic Language Plan (GLP). The Strategic Funding Group considered the findings and has agreed an appropriate on-going commitment in support of this policy area. This concluded that the funding:
  - Had been well but not most efficiently used and that greater co-ordination of funded activity would be valuable
  - Had had beneficial effects but that more needs done to make a significant contribution to the NGLP
  - Is protecting fragile provision, but that the nature of the provision supported might be considered further.
9. A mid-term review of the Council’s *Museums, Galleries and Collections (MGC) Grant*<sup>4</sup> was conducted by staff and supported by an expert panel. This was considered by RKEC in September 2016 (RKEC/16/24):
  - MGC grant recipients were on track to deliver its requirements and demonstrated many successful achievements, including an 88% increase in research enquiries & visits to collections, and significant growth and quality improvement in teaching activity, with the collections being used in a wide range of university subjects at different levels of study. The expert panel also highlighted some areas where there was scope to enhance the impact of the grant over the remaining period of funding.

### ***Commissioned evaluations***

10. SFC manages Scottish Government funding of the *Knowledge Transfer Partnership (KTP) Programme* in Scotland. This is a UK programme which helps businesses to improve their competitiveness and productivity through the better use of knowledge, technology and skills residing within the UK knowledge base. In 2015, EKOS Ltd were commissioned to assess the use and impact of the programme within Scotland and to make recommendations on future development of the programme<sup>5</sup>:
  - Overall, the KTP Programme in Scotland works well, delivers strong economic impacts and is highly regarded – Scotland also appears to be achieving good value.

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<sup>4</sup> <http://www.sfc.ac.uk/communications/Announcements/2016/SFCAN132016.aspx>

<sup>5</sup> [http://www.sfc.ac.uk/web/FILES/ReportsandPublications/Impact\\_Evaluation\\_KTP\\_Programme\\_in\\_Scotland.pdf](http://www.sfc.ac.uk/web/FILES/ReportsandPublications/Impact_Evaluation_KTP_Programme_in_Scotland.pdf)

- Specific recommendations include the need to promote the programme to various audiences, the value of the inclusion of public and third sector innovation, and the need to consider issue of recruitment and data-sharing.
11. Council received a presentation on the final report of the *independent review of the Innovation Centre programme* at its meeting on 23 September 2016 (SFC/16/73). This review was chaired by Professor Graeme Reid and supported by an Advisory Committee and economic assessment consultants, EKOS Ltd. The report has now been published on the SFC website.<sup>6</sup>

### ***Evaluations conducted by policy teams***

12. SFC took over responsibility for the *Scottish Executive Expertise, Knowledge & Innovation Transfer Programme* (SEEKIT) in 2011. An in-house programme evaluation was conducted<sup>7</sup> in 2015, and was considered by RKEC in April 2016 (RKEC/16/07):

- Evidence suggests that there is now a better connected network of SME businesses linked to each other and the research base, and that SMEs involved in the SEEKIT programme now possess greater market awareness, are engaged in new collaborations, have increased knowledge of and access to R&D support mechanisms and, in many cases have a much clearer understanding of how innovation can grow their businesses. The evaluation suggests that this programme will have lasting benefits for knowledge transfer from the science base into Scottish business to aid sustainable economic growth.

13. The Access Team conducted a wide-ranging review of SFC's investments in articulation and the evidence on how successfully articulation is operating across Scotland, to inform the development of strategy by the Access and Inclusion Committee<sup>8</sup>.
14. Significant evaluation work on Access has also been underway in preparation<sup>9</sup> for the Council's Triennial Review of progress on participation in further and higher education, required by statute by March 2017. This is near-complete and due to be published early in 2017.
15. The emphasis in the Skills area has been on formative evaluation of awards

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<sup>6</sup> <http://www.sfc.ac.uk/Priorities/Innovation/IndependentICReview/ICReview.aspx>

<sup>7</sup> This evaluation considered only the projects which were 'live' on transfer from the Scottish Government.

<sup>8</sup>

[http://www.sfc.ac.uk/web/FILES/CMP\\_AccessandInclusionCommittee16February\\_17022016/AIC16\\_07\\_Articulation\\_Policy\\_Update.pdf](http://www.sfc.ac.uk/web/FILES/CMP_AccessandInclusionCommittee16February_17022016/AIC16_07_Articulation_Policy_Update.pdf)

<sup>9</sup>

[http://www.sfc.ac.uk/aboutus/council\\_board\\_committees/Committeepapers/2016/AccessandInclusionCommittee24May2016.aspx](http://www.sfc.ac.uk/aboutus/council_board_committees/Committeepapers/2016/AccessandInclusionCommittee24May2016.aspx)

during their period of support, particularly as they near the end of their SFC funding. This has included interactions with stakeholders on the impact and effectiveness of the investments.

16. A plan of evaluations to be undertaken centrally in 2017 will be considered by the Strategic Funding Group. This will be informed by the prioritisation scoring agreed by the Audit and Compliance Committee. Programme evaluations planned by policy teams include a review of the use of strategic student places, to start in late 2017.

### **ROSI (Reporting Outcomes of Strategic Investments): implementation and outputs**

17. As noted above, a new standardised reporting process was announced to the sectors on 29 June 2016. The main elements of change are a new, self-assessment return form (outcome-focussed and mainly narrative) and a common reporting deadline (30 September). Standardised returns will inform ongoing monitoring of awards, enabling ready comparison between awards and support post-hoc evaluations of awards. Awards due to make a return between July 2016 and July 2017 (and their institutions) have been notified of the changes in approach<sup>10</sup> and sector briefing sessions have been held.

### **Analysis**

18. 92 annual returns were due in July – Dec period: 76 have arrived (82.6%). Not all returns since July have been in the new format, as many had been drafted before that was published. Those in other formats have not been included in the analysis below.
19. A high-level analysis of the responses in the 62 new returns received is set out below and in annex A. Eleven of the returns comprise both (a) annual returns on the previous year of activity and (b) a summary end of award return covering the entire period of support. 51 are from ongoing awards and cover only (a) annual returns on the previous year of activity.
20. There is potential for richer outputs from these returns, including narrative information; the mechanisms for processing the new standardised data are under development. It should be noted that the information provided is self-reported by the award-holders and (other than Financial Reporting, which is counter-signed by a representative of the institution's Finance department) has not been additionally validated.
21. We are also seeking feedback from the users of these forms and associated processes, to optimise their utility. For example, from the first round of activity, it appears there may be a need to work further on a common understanding of

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<sup>10</sup> <http://www.sfc.ac.uk/funding/Strategicinvestments/StrategicInvestments.aspx>

‘outcomes’.

22. The 62 returns which have been processed for analysis are reporting against a total of 265 planned outcomes. Only 11 outcomes (4.2%) are reported not to be on track. 223 (84.3%) are on track.
23. Amongst the achievements which may be recorded are improved facilities or infrastructure and further funding secured (see Annex A for full list). Infrastructure changes most frequently reported so far are: institutional or sector collaborations; and training/teaching networks or partnerships. Additional funding is most commonly reported for knowledge exchange and commercial activities.
24. Illustrative extracts from two of the new returns are available on request.

### **Internal audit status**

25. The internal audit report on strategic projects, produced in 2015, covers issues of monitoring and evaluation. The Audit and Compliance Committee’s (ACC) follow-up of internal audit recommendations ensures monitoring of progress on this work on behalf of the Board.
26. An update of SFC’s Evaluation Framework, recommended in this report, was approved by the Senior Management Team in March 2016.

### **Risk assessment**

27. Failure to maintain a proper system of monitoring and evaluation of strategic investments would mean a risk of failure to demonstrate:
  - That strategic plan commitments are being met
  - That the resources and effort committed by the Council are adding value.

### **Equality and diversity assessment**

28. The new self-assessment form provides the opportunity for awards to comment on contributions they have made to Council’s statutory responsibilities, including equality and diversity.
29. Operational policy on monitoring and evaluation is applied to strategic awards which should already have been subject to equality impact assessment as part of the SFC funding decision-making process. The specific element of prioritising awards as candidates for evaluation, however, offers potential for differential treatment. Equalities considerations therefore form part of the management of this prioritisation process.

### **Financial implications**

30. No immediate financial implications.

### **Recommendations**

31. The Council is invited to note:

- The findings of the evaluations
- That the implementation of the new reporting process for strategic awards is proceeding as anticipated.

### **Publication**

32. This paper will be published on the Council website.

### **Further information**

33. Contact: Morag Campbell, Assistant Director, Research and Innovation Directorate, 0131 313 6530, [mcampbell@sfc.ac.uk](mailto:mcampbell@sfc.ac.uk).

## Annex A: High-level information from new returns

| <b>Outcomes: 'on track?' responses</b> | <b>Yes</b> | <b>Pending</b> | <b>Partial</b> | <b>No</b> | <b>Total</b> |
|--|------------|----------------|----------------|-----------|--------------|
| Annual return (AR)                     | 223        | 31             | 0              | 11        | <b>265</b>   |
| End of Award return (EoA)              | 29         | 0              | 6              | 3         | <b>38</b>    |
| <b>Total</b>                           | <b>252</b> | <b>31</b>      | <b>6</b>       | <b>14</b> | <b>303</b>   |

Based on 62 return forms, with 11 End of Award sections completed.

### Geographical reach of progress reported in annual returns

| <b>Reach</b>  | <b>Yes</b> | <b>Pending</b> | <b>No</b> | <b>Total</b> |
|---------------|------------|----------------|-----------|--------------|
| Regional      | 23         | 1              | 0         | 24           |
| Scotland      | 86         | 23             | 7         | 116          |
| UK            | 38         | 1              | 0         | 39           |
| International | 63         | 4              | 2         | 69           |
| (blank)       | 13         | 2              | 2         | 17           |
| <b>Total</b>  | <b>223</b> | <b>31</b>      | <b>11</b> | <b>265</b>   |

### 'Unanticipated outcomes' reported

| <b>Reach</b>  | <b>Annual</b> | <b>End of Award</b> | <b>Total</b> |
|---------------|---------------|---------------------|--------------|
| Regional      | 7             | 2                   | 9            |
| Scotland      | 33            | 8                   | 41           |
| UK            | 8             | 3                   | 11           |
| International | 21            | 2                   | 23           |
| <b>Total</b>  | <b>69</b>     | <b>15</b>           | <b>84</b>    |

| <b>'Achievement' responses in annual returns'</b>                               | <b>62</b> |
|---|-----------|
| Enhanced people capacity  | <b>39</b> |
| Improved facilities or infrastructure   | <b>36</b> |
| Further funding secured   | <b>36</b> |
| Created new products or inventions  | <b>23</b> |
| Contributed to colleges' and universities' engagement with external bodies      | <b>55</b> |
| Wider recognition for the work of your project or team members                  | <b>23</b> |
| Other significant achievements  | <b>26</b> |
| Arrangements to sustain the outcomes  | <b>33</b> |
| Contributed to SFC's statutory responsibilities <sup>#</sup>                    | <b>27</b> |
| <i>(<sup>#</sup> this question was not included on initial version of form)</i> |           |

| <b>End of Award 'impact' responses</b> | <b>Yes</b> | <b>No</b> | <b>Total</b> |
|--|------------|-----------|--------------|
| Added value for the economy            | 6          | 1         | 7            |
| Social & Cultural                      | 7          | 1         | 8            |
| Improvements for HE/FE                 | 7          |           | 7            |
| SFC Statutory responsibilities         | 7          |           | 7            |
| Other                                  | 2          | 1         | 3            |
| <b>Total</b>                           | <b>29</b>  | <b>3</b>  | <b>32</b>    |

Based on 11 returns