

## Consultation on changes to our funding policies for knowledge exchange and innovation (KE&I)

Organisation	Abertay University
<p><b>Question 1: how should the outcomes framework currently in place for UIF evolve to ensure University KEIF is structured to deliver on its renewed purpose and has the right strategic drivers and incentives in place?</b></p>	<p>The KEIF outcomes framework should clearly and coherently link with other parts of the KE&amp;I ecosystem, avoid duplication and limit unnecessary complexity.</p> <p>UIF Outcomes 1, 2 and 3 (Demand Stimulation, Simplification) should evolve to become KEIF core agenda, aligned with national strategies as listed in the Scottish Government's National Strategy for Economic Transformation, and the Scottish Government Innovation Strategy. In addition, we encourage alignment between strategies from stakeholder organisations or activities including Scottish Enterprise, repositioning of Innovation Centres, Interface, and the SFC Missions. This will help drive development of a more coherent KE&amp;I ecosystem which can deliver on shared collaborative or cross-sectoral initiatives.</p> <p>UIF Outcome 4 (Entrepreneurialism) should be encompassed by the proposed Entrepreneurial Campus Strategy.</p> <p>UIF Outcome 5 (International) should be aligned with the Scottish Government Inward Investment Plan, including facilitating a more coherent relationship with SDI and other stakeholders.</p> <p>UIF Outcome 6 (Inclusive Growth and Social Impact) should be reflected through enabling universities to define their own outcomes and objectives within the KE&amp;I framework, aligned to institutional, regional, and national agendas. Each university is unique in terms of place, specialism and strength, and the KE&amp;I framework should celebrate, support and promote this diversity.</p> <p>UIF Outcome 7 (Equality and Diversity) should be embedded throughout all KE&amp;I activity, reflecting each individual HEIs missions around EDI.</p> <p>The current UIF is relatively modest compared to KE&amp;I funding in rUK, therefore Scottish Government/ SFC will need to scale expectations on what can be delivered with the limited funds in Scotland.</p>

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<p><b>Question 2: what are your views on the current UIF collaborative framework, how could this evolve and be sustained to support further good practice and purposeful collaboration? Is there a role for the Knowledge Exchange Concordat in this context or more generally?</b></p>	<p>The Knowledge Exchange Concordat (KEC) is a key tool to inform and enhance KE culture, practice and process, while recognising and celebrating the diversity and heterogeneity of each individual university. The KEC should be embedded in the KEIF collaborative framework in a way that is not too prescriptive, but can help embed KE&amp;I across the institution, raise the profile of KE&amp;I to be on a par with research, enable institutions to be targeted and specific on their KE&amp;I priorities, and support delivery on critical aspects of capacity building, continuous improvement, and evaluating success.</p> <p>Universities play a crucial role in their regional economies, collaborating with a wide range of partners and supporting local, national and international businesses to thrive. The current system has its merits but arguably does not go far enough to incentivise universities to engage in purposeful and sustained collaboration. More substantial and stable baseline funding through an increased platform grant (see Q. 3) would enable an equitable baseline provision for universities in different geographical areas, would encourage shared best practice, collaboration rather than competition, and would facilitate sustained interaction with different local, regional and national innovation eco-systems.</p>
<p><b>Question 3: what are your views on how the impact and outcomes of University KEIF should be measured, including the role of metrics or other indicators in any future funding and allocation model? We would welcome views on current or potential good practice regarding measuring net-zero KE&amp;I activities and outcomes.</b></p>	<p>Metrics can be useful in gaining some perspective on the impact and outcomes of institutions. But all metrics have limitations, they can be gamed, and sometimes produce undesirable behaviours and outcomes. We would encourage metrics that focus on the impact itself and over sustained periods of time, rather than on metrics that are easy to measure or count (e.g. research income or number of spin-out companies generated etc). We also request that the complexity and burden of reporting is reduced to limit diverting resource away from impact and innovation activities, and to minimize the disproportionate impact this burden has on smaller institutions including Abertay.</p> <p>As each University in Scotland is unique, we should celebrate and encourage this diversity and the relative social, economic and cultural value and impact each has within and out with its region. Scottish HEIs already operate within an outcome and collaboration based framework. Each University should have the flexibility to set their own destination/ outcome priorities for KE&amp;I, entrepreneurship and skills development, as well as the metrics that they should measure themselves against. This might involve a mixture of quantitative and qualitative evidence situated within a metrics informed narrative, akin to the REF Impact Case Study and Environment Statements. Individual Universities</p>

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could agree an appropriate evaluative framework through feedback with SFC and thus arrive at a more holistic approach to demonstrating a return on investment. Such an approach could also accommodate the civic impact of universities, and could help limit the persistent inequalities created by simply rewarding institutions already located in more prosperous areas and communities. We recommend that the platform grant through UIF is doubled for the KEIF, from £250k to 500k and to scale the co-funding requirement with the size of institution. This would ensure that quality KE&I support infrastructure and funding is available and more evenly spread across the country, supports plurality and helps mitigate the inequalities created by the significant concentration of funding resource extant in Scotland. This will support institutions to think more strategically and plan effectively with respect to their KE&I activities, which is critical in terms of giving institutions the space and capacity required to contribute towards driving innovation in a way that is truly transformational for their locality. This will also help mitigate the loss of access to place-sensitive, flexible EU funding streams focused on tackling regional inequalities through the principle of convergence.

We suggest either of two options for the KEIF:

Double the platform grant to £500k; with smaller institutions required to co-fund £250k and larger institutions co-fund the full £500k and remainder distributed via an updated algorithm (taking into account appropriate regional and sector variations).

Increase the platform grant to £750k; with smaller institutions required to co-fund £250k and larger institutions co-fund the full £750k.

As part of its Knowledge Exchange Framework (KEF), Research England is using self-assessment to derive a metric for Public and Community Engagement. KEF guidance included templates for Public and Community Engagement and Local Growth and Regeneration narratives. Key factors for self-assessment of public engagement include having a strategy, built on evidence of need, with a coherent programme of investments and high-quality support infrastructure. We recommend that SFC funding of public engagement is a strategic approach to drive impact, with lessons learned from the research and pilots undertaken through Research England's KEF.

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	<p>Abertay welcomes the development of metrics that encourage net-zero initiatives, although these must be robust and limit gaming within the system to organise around these priorities. If the net result of such an approach were to be in tension other priorities, this would be counterproductive. If new funding incentives, despite noble intentions, simply result in a further concentration of funding by geographical region or by institution type, then this would be contrary to some of the stated aims of government in terms of regional development, and of the SFC in relation to sustainability of the Scottish HE system.</p>
<p><b>Question 4: how could the University KEIF, with Interface, help support collaboration with colleges, collectively supporting Scotland's SME base to be more innovative?</b></p>	<p>Universities, and modern universities in particular, have strong existing relationships with colleges through teaching partnerships and integrated pathways for student progression. Colleges are embedded in their communities and have strong relationships with local employers. There is a real opportunity to add value to Scotland's KE&amp;I impact by building on all these relationships, using the KE&amp;I infrastructure already present within universities to act as a hub to support and facilitate college KE. There are economies of scale to be captured with this approach, with individual colleges being unlikely to support individual KE structures. Therefore, opportunities to maximise KE&amp;I impact can be realised by combining the creation of new knowledge through research with the combined reach into regional business communities of the modern universities and colleges together. We recommend that Scottish Government investment supports a collaborative hub and spoke model to deliver regional KE&amp;I benefits where HEIs host and share capacity and best practice with their local colleges. A hub and spoke model will avoid duplication of effort and unnecessary internal competition, often for "low hanging fruit" at the expense of more challenging but often valuable KE&amp;I.</p> <p>Innovation Centres and Interface should be repositioned as part of a cohesive and integrated KE&amp;I ecosystem. Consideration should also be given to the scope and focus of Innovation Centres currently in play (e.g. An Innovation Centre to support the Food &amp; Drink sector). Innovation Centres should give value for the RKE&amp;I ecosystem by actively working on behalf of the universities to facilitate deep collaboration and partnerships between HEIs and external organisations, to gather early intelligence about calls, mobilise effort involving more stakeholders to build capacity, new partnerships and networks, to support greater opportunities of scale, and develop bold and ambitious projects for mission funds in line with national and international opportunities.</p>

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	<p>Consortia building requires significant effort and resource commitment. Currently there is limited structural or financial incentivization to enable academics and stakeholder partners to commit the necessary time for this, which inevitably leads to missed opportunities. We recommend that new financial support is made available to incentivise consortia building with external partners (c.f. Research England's Connecting Capability Fund). This would mobilise more stakeholders in the KE&amp;I system to target Challenges/Missions, engendering a common purpose and facilitating a truly coherent approach to Missions.</p> <p>Interface have developed experience and infrastructure to support university-business links and SME innovation. As SMEs are so crucial to the Scottish economy, the role of Interface should be supported and developed further as SMEs often do not have bandwidth or capacity to seek out opportunities and explore what is available to them. Consequently, there is serious untapped potential across Scotland that could benefit from more collaboration if only more SMEs were given support to find and pursue opportunities through an organization like Interface. We recommend that Innovation Vouchers and Advanced Innovation Vouchers are continued and consideration given to enhancing the value of these schemes (see Q16).</p>
<b>Question 5: how could core capacity funding (College KEIF) best support colleges to be effective agents of KE&amp;I? We would particularly like to learn from colleges directly on what KE&amp;I means to them and where capacity is needed to deliver this effectively, which could include building on current practice.</b>	See Q4.
<b>Question 6: we would welcome views on what would be an appropriate period for SFC to run the first cycle of College KEIF before formally reviewing it and establishing a mature model for future years.</b>	4 year minimum cycle.
<b>Question 7: we would welcome views on the potential value of using College KEIF to create</b>	See Q.4.

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<p>frameworks for collaboration and sharing of good practice across the colleges, and with universities.</p>	
<p><b>Question 8: our review recommended that we co-design the Entrepreneurial Campus strategy with colleges and universities. We would welcome views on what is proposed in this consultation, including potential opportunities, weaknesses and gaps.</b></p>	<p>Modern universities have particular strengths in entrepreneurship, intrapreneurship, incubation and the creation of graduate start-ups (e.g. the Abertay led InGame; Royal Society Enterprise Fellowships, Converge Challenge, Prototype Funds, MProf, and placements etc). Our programmes contribute to the development of businesses, they create high value jobs and support economic growth. The businesses created often exist to address major societal problems and have a strong connection to the research base as they are innovative by nature. Supporting student and staff entrepreneurship takes considerable resources. All of the benefits created could be increased should universities have resources to support the activity.</p> <p>There are challenges in providing data upon which to base a funding formula. HEBCI data records business start-ups for staff and for students, however it is widely recognised that the quality of this data is variable and it is not used currently to determine funding. A starting point to address this might be graduate outcomes data, collected 18 months after graduation. However, we recommend that to support the EDI agenda and to help limit the persistent inequalities created by rewarding institutions already located in more prosperous areas and communities, graduate outcomes data should be followed up 3 years after graduation. These data would provide additional contextual information not currently available in LEO and would show how many graduates are running their own business or are self-employed which provides a good proxy for how many of an institution's graduates are being entrepreneurial. Using this as the basis for funding support would allow universities who are successful in this regard to provide more support for entrepreneurs.</p>
<p><b>Question 9: we would welcome evidence of current practice in Scotland (or elsewhere) to ensure we have an up-to-date picture of what is working well and upon which the Entrepreneurial Campus strategy could build on.</b></p>	<p>We have built on the success of our campus enterprise hub, known as Bell Street Ventures. We continue to encourage entrepreneurship among students and graduates to support both the local economy and local businesses to grow, particularly given the difficulties many graduates will face with employment opportunities locally. This includes support to students and graduates who wish to establish themselves as freelancers and / or to become self-employed.</p>

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	<p>Through philanthropic funds, we support up to 40 student and graduate led start-ups each year with micro grants of £500 to £2000 to help founders meet the practical costs in the early stages of business setup. These small start up support grants are particularly important to students and graduates who will not have the disposable income or bank loan facilities to enable this. A small amount of money at the initial stages can make an incredible difference if you don't have a "Bank of Mum and Dad".</p> <p>Micro grants will cover the following sorts of expenditure:</p> <ul style="list-style-type: none"> <li>- Website hosting</li> <li>- Incorporation with Companies House</li> <li>- Accounting packages for one year</li> <li>- Business cards/ marketing materials</li> <li>- Business insurance for one year</li> </ul>
<b>Question 10: the Review recommended that the university and college sectors join SFC in repositioning Innovation Centres (ICs) as stable long-term infrastructure investments. We would welcome views on the details of the proposed repositioning as described in this consultation, including any opportunities, weaknesses and gaps.</b>	See Q4
<b>Question 11: we would welcome views on how we could best strengthen the Innovation Centres relationship with universities and colleges, ensuring added value, sense of partnership and collaboration, avoiding duplication of effort etc. This would include opportunities for alignment and partnership with Interface, Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise and other relevant agencies and organisations.</b>	See Q4. However, consideration must be given to ensuring that Innovation Centres work for and give added value to the entire Scottish HEI sector as appropriate.

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<b>Question 12: we would welcome views on potential areas of future opportunity where the Innovation Centre model could help deliver outcomes for Scotland.</b>	An Innovation Centre for the Food & Drink Industry.
<b>Question 13: we would welcome views on strengthening Interface's relationship with universities and colleges, ensuring added value, sense of partnership and collaboration, avoiding duplication of effort etc. This would include opportunities for alignment and partnership with Innovation Centres, Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise and other relevant agencies and organisations.</b>	The KE&I support ecosystem should avoid duplication, limit unnecessary complexity and serve the entire Scottish HEI system as appropriate. The reporting of (HEI specific) metrics or other indicators by Innovation Centres / next Generation Pools etc, may have a role here to ensure that they offer fair access to opportunities.
<b>Question 14: if you have direct experience of working with Interface, we would welcome suggestions for evolutions to its operating model to help it develop even more effective support for productive relationships between businesses and our universities and colleges.</b>	See Q4, Q15 & Q16.
<b>Question 15: we would welcome general views, based on direct experience of the Innovation Voucher scheme, on how it could evolve and better support our system for KE&amp;I.</b>	Stable provision of more and larger follow-on Innovation Vouchers.
<b>Question 16: we would welcome views on widening the scope of Innovation Vouchers to encompass wider KE activity but retaining the key objective of using them as a means to promote first time collaborations and encourage longer-term relationships.</b>	We support the original scope of the Innovation Voucher scheme but recommend that Scottish HEIs make better use of Interface expertise and infrastructure in the delivery of innovation projects aligned with the Innovation Centres, and within large externally funded R&D projects. This is an important and sustained strength for Scotland.



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<b>Question 17: how could colleges and universities help SFC understand, or monitor longitudinally, how many Innovation Vouchers have led to ongoing relationships? Are there cross sectoral digital solutions to this which can help us better understand the outcome we hope to achieve?</b>	We would support development of an elegant system which allows the longitudinal tracking of impact as KE&I often demands sustained effort over the longer term.
<b>Question 18: From experience of mission-led approaches elsewhere, how would you advise SFC to use its resources and investments to facilitate such activity in support of Scottish Government objectives for economic transformation?</b>	Many universities already track research, KE and teaching activity against the United Nations Sustainable Development Goals (UN SDGs). There is scope to use this to evidence activity against Scottish Government missions and the National Performance Framework (NPF). We recommend development of a system where strategic funding of missions is inclusive of institutions that can demonstrate a high quality, impactful contribution which can be mapped to the UN SDGs and NPF.
<b>Question 19: We would welcome views on the breadth of the role a KE&amp;I Advisory Board could play and what stakeholder membership would give us the most effective support for SFC's role in the ecosystem.</b>	Recommend that Modern Universities are representation on the KE&I Advisory Board.
<b>We may publish a summary of the consultation responses and, in some cases, the responses themselves. Published responses may be attributed to an organisation where this information has been provided but will not contain personal data. When providing a response in an individual capacity, published responses will be anonymised. Please confirm whether or not you agree to your response being included in any potential publication.</b>	Publish information and excerpts from this survey response INCLUDING the organisation name.