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

Organisation	University of Dundee
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?	The outcomes framework currently in place for UIF is based upon seven broad national outcomes that enable the diverse activities of Scottish HEIs to be reflected. The University of Dundee (UoD) endorses the continuation of an outcomes framework that maintains this approach and avoids moving towards a "one size fits all" approach. We commend the UK Knowledge Exchange Concordat (https://www.keconcordat.ac.uk/about/) as a good reference point for considerations of diversity and institutional purpose, which we feel the outcomes framework should reinforce. UoD supports the recommendation that the KEIF focusses on national and regional priorities of a green recovery, a well-being economy and transition to a net-zero carbon society and should take strategic objectives from regional and Scottish Government into account, so long as these are cast broadly. There is a danger in language that concentrates on "technology solutions" could place institutions without a significant STEM(M) footprint at disadvantage. We posit that the KEIF framework should enable HEIs to deliver their strategies to address these priorities, and as much as possible reward their success in achieving them. With regards to incentivising, we recommend that the funding options available also to reflect the diversity of Scottish HEIs, avoid being overly complicated in their allocation, and provide some opportunities for early-stage, high-risk exploration of ideas. Linked to Question 3, and especially in the context of a fixed national budget for KEIF of c. £15M, we would recommend the vast majority of KEIF continues to be allocated formulaically to support the institutional capacities that are needed to deliver impactful knowledge exchange and innovation. The current formulaic approach has not recognised Dundee's significant activity in this area and some adjustments to address this would be welcome.
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	UoD recommends that the KEIF framework should build upon the UIF collaborative framework to share best practise and encourage collaborative working across Scottish HEIs (including Colleges) to achieve the most impact. As noted in Question 1 we support the Knowledge Exchange Concordat. We see the Concordat as primarily focusing on "how", while the current UIF Collaborative Framework is a mixture of "what" and "how". There is an opportunity to review best practices with Scottish HEIs who

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

Knowledge Exchange Concordat in this context or more generally?	have signed up to the Concordat principles and integrate the Concordat model as a framework for the Scottish HEI sector to consider. However, it should be streamlined and not a separate exercise. UoD also considers that the support offered to the Sector by SFC to have a standing UIF Manager post working across the Sector has been a significant enabler of the success of UIF to date. We recommend that this arrangement should continue under KEIF and we are not averse to SFC setting aside budget for this from the overall KEIF budget, in a way that is fair to the smaller institutions who rely disproportionately on KEIF budget for their KE&I capacity.
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&I activities and outcomes.	UoD recognises that KEIF funding, in overall terms, is modest with £15M per annum spread across the entire HEI Sector in Scotland. At the level of principles, we consider that the allocation of KEIF should be made on a basis that takes into account both the volume/size of an institution's KE&I activity, and its quality/impact. We would prefer if the initial allocation was done primarily via a set of metrics that were: (i) widely accepted; (ii) collected anyway and (iii) that contained proxies for quality/impact as well as size. We would suggest that smaller and/or specialist institutions were allocated a predictable amount (a "floor") in the event that the metrics did not produce a higher allocation to ensure that their capacity was at least maintained. We feel that the Outcome Agreement process should provide institutions with the opportunity to explain their plans for use of KEIF, and to be held to account for their performance or otherwise via a narrative report including quantitative information as appropriate. Though the reporting should be proportionate to the level of funding, which is modest. We feel that it would be reasonable if an institution was failing year on year to deliver against its own plans in KE&I (per the Outcome Agreement) SFC could adjust its formula-based KEIF allocation downwards. We feel the above approach could be implemented with minimal extra effort for SFC and individual institutions so long as it was presented clearly and transparently.
Question 4: how could the University KEIF, with Interface, help support collaboration with colleges,	UoD feels that there is a funding gap in mid-level innovation funding e.g., between an Advanced Innovation Voucher and, for example, Knowledge Transfer Partnerships (KTP). Mid-level funding could also be created in the form of continuation/top-up funding with minimal "red tape" to well-

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

collectively supporting Scotland's SME base to be more innovative?	established projects/partnerships to incentivise further innovation/growth. However, we feel that additional budget would be required to address this, as opposed to re-purposing of University KEIF. Interface faces the company sector, particularly the SME base. Interface should therefore be well-placed to qualify SME needs, which often are for skills/ talent as much as for access to HEI expertise. If Interface could offer apprenticeship/internship/upskilling funding to collectively support Scotland's SME base to be more innovative, whether with colleges and/or universities as partners then this could be powerful. However, again we feel it would need new money.
Question 5: how could core capacity funding (College KEIF) best support colleges to be effective agents of KE&I? We would particularly like to learn from colleges directly on what KE&I means to them and where capacity is needed to deliver this effectively, which could include building on current practice.	College KEIF is a welcome addition (assuming it is "new money"). For UoD it would potentially allow UoD to co-design projects working in partnership with e.g. Dundee and Angus College, Fife College to strengthen Regional Innovation and Impact. UoD sees colleges as being key actors in the specialist skills agenda and many regional projects such as those funded under the UK and Scottish Government's Tay Cities Deal end up with initiatives that keep innovation and skills separate, this could help us join these issues up better depending on how funding was deployed. Though not arising from an SFC decision, the changes to Graduate Apprenticeship funding weakens support for the skills agenda.
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.	UoD would suggest that a minimum 3-year pilot period for College KEIF would make sense, particularly considering set up times.
Question 7: we would welcome views on the potential value of using College KEIF to create frameworks for collaboration and sharing of good practice across the colleges, and with universities.	UoD endorses the creation of a forum for sharing best practice across colleges, and with universities. We would also recommend establishing a forum for SMEs and academics to feedback and input into the types of funding and how to access/apply for them. This could also be utilised a way to encourage partnership building.
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.	UoD supports the overall goals of the Entrepreneurial Campus strategy, and we believe we have a lot to contribute to its success. Nonetheless, we have commented before that the general interpretation of "technology" used by the Government and the SFC, led by the Logan Review, needs to be tempered. In UoD, a high proportion of our most promising high growth potential entrepreneurs (staff, students and alumni) are associated with company formation opportunities in life sciences, medicine and healthcare. In these sectors longer product to market times apply, formal intellectual

<table>
<tr>
<td></td>
<td>property rights (IPRs) are more important, much larger quanta of investment and much higher regulatory burdens apply - and we therefore caution against too narrow an interpretation of "technology" for Entrepreneurial Campus.

In terms of gaps and weaknesses, and with the Logan Review as a backdrop, we would like to believe that the Government/ SFC would be able to find a way to support, financially, those universities (like Dundee) which aspire to make access to at least one entrepreneurial module and an entrepreneurial experience available to all undergraduate students as part of their degrees in due course.</td>
</tr>
<tr>
<td>**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.**</td>
<td>The University of Dundee has been recognised as being among the UK leaders for spin-out and start-up company creation. In the most recent Octopus Ventures Entrepreneurial Impact Ranking (2020: https://octopusventures.com/entrepreneurial-impact-ranking/), Dundee was independently ranked 1st in Scotland and 5th in the UK, while the GovGrant survey (2021: https://www.govgrant.co.uk/university-spinout-report/) placed Dundee 6th in the UK by cumulative value of our spin-outs (£848.8 million) and cumulative investment raised of £325.7 million. Clearly much of the performance of spin-out and start-up companies is based on the companies and their management, but Dundee has a well-established support system for staff, students and alumni interested in pursuing an entrepreneurial career.

The University's Centre for Entrepreneurship (established in 2016: https://www.dundee.ac.uk/entrepreneurship/) has been highly successful in stimulating interest in entrepreneurship. The Centre runs various programmes and events including the Enterprise Challenge, the incredibly popular Venture Competition and the University's Entrepreneurship Week which is an established part of the University calendar, and this year hosted a key note speech by Christopher McCann of Current Health Ltd (an ex- Dundee Medicine student who sold his company, which revolutionises at-home healthcare, for £400M in 2021: https://www.currenthealth.com/). The Centre has ambitious targets to achieve 20 potential high growth start-ups per annum by 2027.

Working closely with the Centre for Entrepreneurship, Dundee's Research & Innovation Services leads on Spin-out company creation and investment, and has a long-track record of success including supporting the creation of Exscientia Ltd (which floated on the US NASDAQ in 2021 with a valuation</td>
</tr>
</table>

	that approached US $3 Billion: https://www.exscientia.ai/) and Amphista Ltd (https://amphista.com/) which is now headquartered at BioCity and which achieved a c. £40M series B investment round in 2021. The University would be delighted to reflect on its practices that we hope would be valuable for Entrepreneurial Campus strategy to build upon. However, we would also underline that the above achievements have been supported by a combined team of <10FTE, mostly UIF funded, and it is important that the Funding Council does not spread KEIF so thinly that these resources are jeopardised.
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.	In general, UoD's observation is that some ICs have engaged well and openly with the HEI Sector, while other ICs have not been very visible to us. Clearly the sectoral foci of individual ICs mean they will not map perfectly onto the capabilities and interests of every university, nor vice versa. However, we feel that some ICs that should be a good match for our innovation interests have still proved more difficult to engage with than might have been expected. Stability is important for those ICs that are working well but we have residual concerns that some ICs may not be working so well but will still benefit from stability of funding. Re-positioning of the Innovation Centres is supported so to provide scalable opportunities for long-term partnerships e.g., closer links with KTP Centres and their client companies/SMEs to develop a pipeline of innovation.
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.	UoD would recommend that Innovation Centres work more closely with the Sectors overall and not just the host institution. This would better engage across HEIs, and partnership organisations as mentioned above. We appreciate that individual universities and colleges will not have capabilities or interests that map perfectly on to the Innovation Centres but, at minimum, knowing about the ICs and how to engage with them, would be a step forward for many university staff. In the last 12 months UoD has invited ICs to present to staff etc as an attempt to raise awareness of mutual interests and funding schemes etc. However, this happened as a result of our initiative rather than vice versa. UoD would like further details on SFC's proposed process to determine long term infrastructure investments in AY2022-23 e.g., how this process will be carried out and who will be involved.

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

Question 12: we would welcome views on potential areas of future opportunity where the Innovation Centre model could help deliver outcomes for Scotland.	SFC has noted Scottish Government priorities in the consultation document and indeed in Question 1 above. For the sake of argument it is interesting that there is an IC for aquaculture, but not one for "green recovery" or more broadly the enabling of the "just-transition". This plays to the same point as above about not letting a desire for stability fossilise the IC provision. Also, where rapid change is needed, such as in COVID, so is rapid access to financial and human resource. There should therefore be a mechanism for this which Innovation Centres could be sued as channels to provide e.g., rapid funding pots, a digital network to source partners for applications.
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.	UoD recognises the value of strong relationships with innovation partners and has informational events scheduled or in the planning stage, with each of the Innovation Centres. We are also working to set up a hot-desking space for Innovation Centre and Interface colleagues to engage directly on campus.
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.	Existing experience of working with Interface is very positive and the current operational model has evolved and is fit for purpose. UoD has enhanced its working relationship with Interface over its existence and will continue to engage to support and maximise regional and national innovation, promoting first time collaboration between academia and businesses. Colleagues working directly with Interface would like clarity on Interface's processes i.e., how they assess suitability and allocation of projects to universities, with the aim to improve the number of successful enquiries.
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&I.	One area for development is to encourage a broader spectrum of organisations and not just private sector organisations e.g., charity and third sector. This could be done via promotion but also by removing barriers to third sector organisations accessing Innovation Vouchers e.g., simplifying the application process. This would allow funding to reach areas that support not only economic development but also provide societal impact.
Question 16: we would welcome views on widening the scope of Innovation Vouchers to encompass	UoD supports this as outlined in our response to Q15.

wider KE activity but retaining the key objective of using them as a means to promote first time collaborations and encourage longer-term relationships.	
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?	Collation, and reporting/communication of activity will be key to minimise duplication of effort. If there is a suitable digital platform in place, this could support building opportunities of scale for Scotland.
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?	UoD would recommend the following: - Carry out an initial exercise to define each mission, clarify ownership across the sector e.g., lead institution for each mission, whether missions will be research or innovation outcomes, and coherence of funding models. - Ensure that additional funding is provided for these missions on the basis of potential value added rather than a re-direction of SFC's existing funding streams. - Link with Scottish Government's (SG) upcoming Innovation Strategy and SG's National Economic Transformation strategy at the early planning stage. - Align the next generation of SFC's Research Pooling to reflect these missions so that research can support and develop into innovation. - Use known areas for significant UK-level investment e.g. in BEIS, UKRI etc to maximise the ability to bring more mission-based KE&I funding INTO Scotland.
Question 19: We would welcome views on the breadth of the role a KE&I Advisory Board could play and what stakeholder membership would give us the most effective support for SFC's role in the ecosystem.	UoD recommends that a KE&I Advisory Board include stakeholder membership in the form of representatives from various organisations (SMEs, larger companies, public and third sector organisations), as well as from HEI and College Sector. The Board should include practitioners as well as senior leaders, as there is often a gulf between high level initiatives and the practicalities on the ground. This would help to align the strategic vision with the pragmatic delivery of outcomes and aim to increase the successful delivery of objectives.

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

	We would also recommend utilising existing peer groups/support networks across Scottish HEIs to request feedback and provide opportunities for collaboration, and transparent communication focussed on outcomes and opportunities vs metrics.
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.	Publish information and excerpts from this survey response INCLUDING the organisation name.