
ASSISTANT DIRECTOR'S UPDATE

PURPOSE

1. This paper provides a summary of recent developments of potential interest to the Committee which are not otherwise on the agenda.

RECOMMENDATIONS

2. Members are invited to:
 - Note the updates contained in the paper and given orally; and
 - Seek further information from the Assistant Directors, the SFC Executive or other members or observers as appropriate.

FINANCIAL IMPLICATIONS

3. There are no direct financial implications associated with this paper.

RISK ASSESSMENT

4. No policy advice is sought in this update paper so no assessment has been performed. Items of committee business arising from developments reported here will have appropriate assessments included.

IMPACT ASSESSMENTS

EQUALITY AND DIVERSITY

5. No policy advice is sought in this update paper so no assessment has been performed. Items of committee business arising from developments reported here will have appropriate assessments included.

PUBLICATION

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

FURTHER INFORMATION

7. Contact: Dr Cat Ball, Assistant Director for Research & Innovation, tel: 0131 313 6660, email: cball@sfc.ac.uk.

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8. This paper provides a summary of recent developments of potential interest to the Committee which are not otherwise on the agenda.

INTRODUCTION

9. This paper contains a selection of updates of potential interest to the committee since its June 2022 meeting.
10. The executive will continue to send notice of events or publications, for example, between meetings where timeliness is important.

CHANGES IN SFC'S RESEARCH AND INNOVATION TEAM

11. Recruitment is underway for a range of roles in the R&I Directorate, including the Director post and new members of both the research and knowledge exchange teams. This is part of ongoing recruitment across SFC as we increase capacity as part of our organisational change and development journey.
12. We recently welcomed Dr Maria McPhillips to the team. Maria joins us on a part-time secondment from the University of Glasgow where she is Head of Strategic Research Initiatives. She will be working with SFC for six months and leading on the development of Alliances for Research Challenges.

SCOTTISH GOVERNMENT INNOVATION STRATEGY

13. We continue to engage closely with the development of the strategy and its aim to develop a ten-year vision to transform Scotland's innovation ecosystem. Our Chief Executive continues to be a member of the Steering Group, co-chaired by Ivan McKee MSP, Minister for Business Trade, Tourism and Enterprise, and Sir Jim McDonald, Principal of the University of Strathclyde, and we responded to the [call for evidence](#) in June.
14. The SFC KE&I team has been meeting with the SG Strategy team at a minimum of every fortnight for some time to ensure complementarity and synergy with the development of our KE&I portfolio. We are pleased with this level of engagement and the early recognition of the important role we, our universities and colleges, and our supporting

infrastructure can play in the delivery of the strategy.

15. Our Chief Executive has been asked to be 'lead sponsor' from Steering Group on the seventh workstream related to delivering innovation. This will attempt to pull together ambitions from the other six workstreams and ensure they are delivered. Karen has also agreed to chair a roundtable on 29 August exploring how we can maximise Foreign Direct Investment into R&D in Scotland. This will inform the strategy which will be published in late October/early November.

INNOVATION CENTRE EVALUATION

16. We (alongside partners, SE and Highlands and Islands Enterprise (HIE)) agreed as part of our Monitoring and Evaluation Framework at the outset of Phase 2 (2018) to do an evaluation on impact for each IC within the Phase 2 period. Consultants 'Additional Research' began work on this evaluation in July. The evaluation will focus on what has been delivered by the ICs over Phase 1 and 2 and is intended to bring greater strategic coherence in line with our review recommendations to transition ICs to longer-term stable infrastructure.
17. Where possible ICs will be evaluated as a collective using a collective methodology to enable us to understand the impact of the programme, but we will also ensure we understand the value of ICs individually in terms of their impact and their role within our innovation ecosystem. Crucially this evaluation goes beyond standard economic measures and will attempt to capture societal and environmental impact as well, particularly where our universities and colleges have played a role.
18. This evaluation will inform our evidence base and help our process for determining Infrastructure investments in the programme which will be taken in 2023. It is a jointly commissioned external evaluation between SFC, SE and HIE, with SE leading on procurement. Work will be concluded by October/November 2022.

UK R&D POLICY UPDATES

19. Boris Johnson's looming departure has prompted concern across the sector over the fate of the UK Government's 'global science superpower' ambition. After George Freeman resigned, there is currently no dedicated Science Minister in the UK Government, with the science brief having been incorporated into the BEIS Secretary of State's remit.
20. The science and research ambitions of the Conservative Party leadership contenders remain opaque. However, Liz Truss has pledged to initiate another Spending Review which would result in further uncertainty for the UK R&D budget, having finally secured

a multi-year settlement in October 2021.

21. UKRI are planning an engagement event in Dundee on 24/25 November. This is part of a series of other events across the UK and follows the launch of UKRI's multiyear strategy. The theme will be the 'world-class ideas' objective from the strategy and it aims to explore and promote UKRI-funded research as well as the environment which supports it. Senior UKRI figures will be in attendance including Chief Executive Ottoline Leyser. We are discussing developing plans with UKRI to ensure that local and regional issues are reflected in the programme and would welcome suggestions from the Committee for potential issues/areas which could be explored as well as potential projects or institutions that could be visited around Dundee.

RESEARCH ENGLAND ALLOCATIONS

22. Following the [UKRI allocations](#) published in May, Research England published [multi-year allocations](#) for 2022 to 2025 in July. FY/AY reprofiling means that they have brought forward their previously announced budget increase into the next AY, rather than the following year as was initially anticipated. There is an overall 8.3% increase in Research England's total budget.
23. There are a number of larger increases to individual funding streams. The QR grant, equivalent to REG, will grow by over 10% in AY 22/23 while HEIF, equivalent to UIF, will rise by over 20%. There is also a new dedicated formula fund for commercialisation and focused funding for research culture which will be maintained for three years. RDP, the English equivalent of RPG, will also rise by 10%. These figures contrast to the 1.6% uplift to SFC's research and KE funding streams.
24. We are working on detailed comparisons between SFC and Research England funding trends and working closely with the Scottish Government.

HORIZON EUROPE TRANSITION MEASURES

25. In July, BEIS [published plans for transition measures](#) should the UK not associate to Horizon Europe, as well as more information on the guarantee measures for researchers applying to EU programmes in the meantime.
26. While association is looking increasingly unlikely (the Northern Ireland protocol plus the situation in Westminster and the lack of a UK Science Minister are not helping), transitional measures aim to ensure there is no funding gap for the R&D sector, and provide immediate funding opportunities for researchers, institutions, and businesses while longer term measures are established. The transitional measures set out include:

- uplifts to existing UK talent schemes – from UKRI and National Academies, a variety are being considered;
 - uplifts to innovation funding and support for businesses, in particular SMEs – funding schemes to be confirmed;
 - funding for research institutions most affected by the loss of Horizon Europe’s talent funding – through a Talent and Research Stabilisation Fund (formula fund to be administered by UKRI based on previous pillar 1 Horizon 2020 funding received – conditions and formula to be announced); and
 - continued Third Country Participation in Horizon Europe.
27. It also sets out a preliminary vision for a long term, alternative programme to Horizon which will focus on: Talent, End to End Innovation, Global Collaboration and investments in the R&D system.
28. We are working with the Scottish Government and involved in discussions with BEIS on some of these measures.

UKRI REVIEW AND RESEARCH BUREAUCRACY REVIEW PUBLISHED

29. Two of the three ongoing UK R&D landscape reviews were published at the end of July, ahead of UK Parliament recess.
30. The [Independent Review of UKRI](#) led by Prof David Grant is a functional cabinet office-derived review which focuses on efficiency, efficacy, governance and accountability. The key takeout is that UKRI has partially met its initial objectives but gaps and challenges remain. There is nothing in the review that is likely to influence SFC’s relationship with UKRI. It sets out recommendations for evolution not revolution which makes sense given the scale of the challenge faced by UKRI in bringing nine separate organisations together.
31. The challenges identified largely relate to securing efficiencies and opportunities (such as interdisciplinary research) from harmonisation across nine Councils (particularly IT/data), navigating governance, and a large number of staff in the corporate centre. It also touches on challenges in terms of data and demonstrating/communicating research impact. The disproportionate number of Ministerial appointments below CEO level is also flagged. The challenge of UKRI’s mix of UK-wide and England only functions is not mentioned, and Grant takes the view that mandating specific national representation on the UKRI board or councils wouldn’t be effective, but that UKRI should continue working with DA funding bodies.
32. Prof Adam Tickell’s [Review of Research Bureaucracy](#) is pitched as a whole system solution with a range of recommendations and findings under the themes of: assurance; applying for funding; grant implementation and in-grant management; digital platforms; institutional bureaucracy; and communications. It has been largely welcomed by the

sector with a focus on what happens next. We understand that the UK Government plan to respond by the end of the year. A number of the recommendations are aligned with SFC's activity and direction of travel, including our developing assurance work.

33. The report notes the involvement input of the devolved administrations in its development and the explicit inclusion of devolved administrations is a feature of its recommendations.
34. Sir Paul Nurse's review of the UK R&D landscape is expected to be published in the autumn.

ARIA CHAIR AND CHIEF EXECUTIVE ANNOUNCED

35. Ilan Gur has been [appointed](#) as the first Chief Executive and Matt Clifford as the first Chair of the Advanced Research and Invention Agency (ARIA). Though previously unknown to some, the appointments have been broadly welcomed by the sector with some highlighting them as 'stellar' and 'impressive'.
36. Ilan Gur is the founder and former CEO of the innovation non-profit Activate and served in the first generation of programme directors at Arpa-E, the US Department of Energy's agency for funding breakthrough innovations in energy technology. Matt Clifford is the co-founder and CEO of Entrepreneur First, an international investor in technical talent. The appointments likely point to a sense of the style and approach envisaged for ARIA.
37. The agency is expected to be established later this year with a budget of £800m over the course of this parliament (roughly equivalent to 10% of UKRI's annual budget). BEIS are currently seeking recommendations on who should apply for other key posts – ARIA's Non-Executive Directors and Chief Financial Officer. Recommendations can be shared with the ARIA team at aria@beis.gov.uk

RECOMMENDATIONS

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