
Innovation Strategy, Entrepreneurial Campus Blueprint and UIF uplift: update

Purpose

1. This paper provides the Committee with an update on recent Scottish Government publications such as the Innovation Strategy and forthcoming 'Entrepreneurial Campus Blueprint'. It sets out SFC's position in relation to these strategic drivers and our plans to support and lead key activity. We will do this through the further development of our underpinning funding for KE&I (Knowledge Exchange and Innovation Fund [KEIF]) and our innovation infrastructure investments (Innovation Centres, Interface, Innovation Vouchers, Converge) working together as a more cohesive KE&I system.

Recommendations

2. Members are invited to:
 - Note the updates provided in the paper.
 - Comment on these strategic drivers and SFC's role in delivery.
 - Note that the executive will provide further updates on progress at future meetings.

Financial implications

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

Risk assessment

4. There is a risk in not aligning our underpinning funding for KE&I (KEIF) and our infrastructure investments to the strategic direction set by Scottish Government, including the National Strategy for Economic Transformation (NSET) and the Innovation Strategy.
5. It is critical the UIF uplift is used to demonstrate added value or there is a risk it may not continue or undermine arguments for a longer-term increase.

Equality and diversity

6. Equality and diversity is a key priority in the Innovation Strategy and NSET's 'Entrepreneurial People and Culture' programme. We will embed equality and diversity in our KE&I system, maximising opportunities to promote and advance equality as we implement our Review recommendations and align these with Scottish Government priorities. Equality impact assessments will be undertaken as part of the policy development process and used to improve the impact and outcomes delivered through our core funding for KE&I and infrastructure investments.

Carbon reduction

7. We have set an ultimate goal for our KE&I investments as contributing to the building of a net zero green economy and society. Institutions will be able to describe their contributions to this goal through their UIF AY 2023-24 plans and it will be key to the development of our infrastructure investments.

Publication

8. This paper will be published on the SFC website.

Further information

9. Contact: Gary Bannon, Assistant Director, tel: 0131 313 6518, email: gbannon@sfc.ac.uk.

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Purpose

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Background

11. Our Review of Coherent Provision and Sustainability made a number of recommendations relating to KE&I ensuring we focus our support on our top priorities of a green recovery, a wellbeing economy and a just transition to a net zero carbon society. It emphasised the importance of ensuring our investments were strategically closer to our universities and colleges representing more of a co-owned strategy.
12. To support this aim we committed to developing policy in key areas:
 - Creating the Knowledge Exchange and Innovation Fund (KEIF), as our core funding in support of University and College capacity and strategy for KE&I.
 - Relaunching our flagship investments, such as ICs and Interface, as University and College KE&I "stable long-term infrastructure"
 - Co-designing the Entrepreneurial Campus concept with colleges and universities.
13. These investments form an SFC supported system that enables institutions to innovate and support development of new ideas as well as leverage in UK Research and Innovation (UKRI) and other funding.
14. As we take forward our plans to build a renewed, more cohesive KE&I system, we will align our underpinning funding for KE&I (KEIF) and our infrastructure investments to the strategic direction set by Scottish Government, including the National Strategy for Economic Transformation (NSET) and the Innovation Strategy.

Key strategic updates

Scottish Government Innovation Strategy

15. The Scottish Government's National Innovation Strategy sets out Scottish Government's vision for Scotland to be one of the most innovative small nations in the world and presents a ten-year strategy to deliver that ambition.
16. The Strategy identifies innovation priorities grouped under four broad themes: Energy Transition; Health and Life Sciences; Data and Digital Technologies; and Advanced Manufacturing.
17. The Strategy emphasises the role of our institutions in supporting the delivery of Scottish Government's vision, notably through the development and delivery of a Commercialisation Framework, innovation cluster development and the underpinning ability of institutions to exploit the academic research undertaken in Scottish universities.
18. SFC will use the KEIF (evolved UIF) and our innovation assets (Innovation Centres, Interface and Converge) to support delivery. SFC will lead on developing the Commercialisation Framework and will do this in partnership with the sector.

Entrepreneurial Campus Blueprint

19. SFC's Review of Coherent Provision and Sustainability recommended we develop an Entrepreneurial Campus Strategy (ECS) and set out our ambitions to work with colleges and universities to enhance entrepreneurship and entrepreneurial activity that will be of significant benefit to Scotland's economy and society. This was further endorsed through the NSET (March 2022), which set out plans to 'develop an entrepreneurial campus infrastructure, working with the college and university sector to establish campuses as hotbeds of start-up creation.'
20. SFC received strong support from universities for its plans related to co-developing its work on ECS with institutional partners and better utilising existing assets such as Converge and Interface. Resourcing required to implement the strategy continues to be a concern across the sector, particularly in terms of staff time and general support. SFC was advised to manage 'entrepreneurship' and 'entrepreneurial education' separately and there was strong support for ensuring access to expertise such as 'Entrepreneurs in Residence', mentors and commercial champions with a pan-Scotland approach while acknowledging institutional diversity.
21. Since then, SFC has worked closely with the Enterprise Support Group, a subgroup of Universities Scotland's Research and Commercialisation Directors' Group (US RCDG), on a workplan which has developed well and quickly, building on enthusiasm, goodwill and a clear willingness to co-design. In addition, SFC is looking to further support assets such as Converge into a new, longer-term cycle of strategic funding.

22. Ross Tuffee, start-up specialist and advisor to Mark Logan, Chief Entrepreneur, was asked by the Scottish Government to develop holistic advice on promoting the development of ECs across Scotland's higher education network in order to deliver the vision set out in the [Scottish Tech Ecosystem Review](#) (STER) and NSET.
23. The Entrepreneurial Campus Blueprint (see Annex A for draft summary), is due to be published in the coming weeks. The Blueprint highlights the necessity and urgency of this work, acknowledges the steps institutions have taken to promote entrepreneurship thus far, identifies ten themes as components of a world-class entrepreneurial campus, and outlines 58 actions within the themes for government, agencies, institutions and other stakeholders.
24. Themes and recommendations are primarily directed towards institutions and are generally focused on improving connections between organisations and institutions and providing or extending funding for specific institution or community-based entrepreneurship programmes.
25. Additional funding is unlikely to be available in the short term. Next year's UIF uplift (£5.5m) provides an opportunity to target that additional funding to respond to this strategic driver and implement activities already developed by the sector. This will build on existing mechanisms (i.e. Converge, Interface, ICs, Bridge 2 Business) and collaborative good practice.
26. Other proposals related to ECS that may be considered include working with the sector to develop an Entrepreneurship Education Toolkit, developing curriculum pathfinders in subject disciplines where there are high potential opportunities to grow entrepreneurship, supporting the recruitment of Entrepreneurs In Residence and Student Ambassadors at educational institutions, supporting partners in the sector (including Converge) to develop a list of seed funding, mentorship and commercial champion opportunities, and working with colleges and universities to establish quality thresholds and targets and a Governance and Advisory Group to guide the direction and implementation of this work.

UIF uplift and developing KEIF

27. At its March meeting, the Committee noted (paper RKEC/23/03) the Board's decision to uplift UIF funding allocations in AY2023-24 following an 1.8% increase in research/HE capital funding. The Committee provided initial advice on how universities could demonstrate the value of this funding. Final funding allocations have now been approved by the Board (3 May 2023) and [announced](#). SFC will allocate £21M in total through the UIF over AY2023-24.
28. This uplift presents an opportunity to respond to the strategic drivers of the Innovation Strategy and NSET (including Entrepreneurial Campus activity). Although this funding will not allow SFC to fully support sector responses to all of these strategic drivers, it will enable significant new collaboration opportunities in this space. It will also help start to address the disparities in KE&I support in Scotland compared to other parts of the UK.
29. UIF AY2023-24 guidance will be issued to universities by the end of June 2023. This will

recognise the transitional year and ask universities to set out their institution's planned contributions individually and collectively to UIF outcomes in line with renewed priorities. We will set out our expectation that this additional funding should be used to demonstrate the contribution universities will make to the delivery of the Innovation Strategy and NSETs 'Entrepreneurial People and Culture' programme, implementing ideas already developed with the sector around Entrepreneurial Campus. Emphasis will be placed on institutions working at a collaborative level, supported by the UIF Collaboration Manager and US RCDG. We will ask institutions to report to us on how they will use that extra resource to support these key priorities in AY23/24.

30. A workshop will be held with the sector in August 2023 to discuss AY23/24 requirements and the added value we expect institutions to demonstrate from the £5.5M uplift. This workshop will also mark the start of work with the sector over AY23/24 to evolve this underpinning support and create KEIF from AY24/25. We will work with universities (and others) to ensure the right mechanisms are in place to ensure it delivers against its renewed purpose (green recovery, well-being economy and just transition to net zero). We will agree outcomes aligned with SFC's wider Review plans and policy context, including the Innovation Strategy and NSET, which include some national metrics.

SFC Infrastructure investments

31. We are bringing our flagship innovation investments (Innovation Centres, Interface, Innovation Vouchers, Converge) strategically closer to our universities and colleges, shifting from a cycle of short-term project funding to long term support that will offer stability, aligned to strategic direction set by Scottish Government. Repositioning our innovation investments as 'infrastructure' will strengthen their relationships with colleges and universities, ensuring better cohesion and integration in the SFC supported KE&I system.
32. The Committee will be updated on IC Infrastructure Investment plans at this meeting. We are also working closely with Converge and Interface to relaunch them as long-term stable investments, bringing them closer to our universities and colleges and identifying opportunities to deliver Scottish Government priorities, including the Innovation Strategy and NSET.

Recommendations

33. The Committee is invited to:
 - Note the updates provided in the paper.
 - Comment on these strategic drivers and SFC's role in delivery.
 - Note that the executive will provide further updates on progress at future meetings.