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Knowledge Exchange and Innovation Fund: Strategy Guidance for AY 2025-26 to AY 2029-30



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Issue Date:	28 June 2024
Reference:	SFC/GD/11/2024
Summary:	This document provides detailed guidance on the submission of five-year Knowledge Exchange and Innovation Fund (KEIF) strategies. It covers the requirements and priorities for all universities in receipt of KEIF as well as information on SFC approval and annual reporting.
FAO:	Principals and Directors of Scotland's universities, and the general public.
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Table of Contents

Knowledge Exchange and Innovation Fund: Strategy Guidance for AY 2025-26 to AY 2029-30.....	5
Introduction.....	5
Purpose of KEIF strategies.....	5
Content of KEIF strategies.....	6
Section A: Overview.....	7
Institutional context.....	7
Overview of strategic ambitions.....	7
Alignment to Scottish Government priorities.....	7
Section B: KE&I capacity.....	7
Platform Grant.....	7
Overall capacity for KE&I.....	7
Section C: Outcome Grant activities.....	8
KE metric activity.....	8
Graduate start-ups and spin-outs/Entrepreneurial Support.....	8
Section D: Wider KE&I activities.....	8
Wider societal impact.....	8
Collaboration.....	9
Regional approaches.....	9
Section E: Equality, Diversity and Inclusion.....	9
Section F: KE&I culture.....	9
Promoting positive KE&I culture.....	9
KE Concordat.....	9
Section G: Any further information.....	10
Section H: Board/Court approval.....	10
Submission and assessment of strategies.....	10
Annual Reporting requirements.....	10

Annex A: KEIF strategy pro-forma 11
Annex B: Sample spreadsheet..... 15

Knowledge Exchange and Innovation Fund: Strategy Guidance for AY 2025-26 to AY 2029-30

Introduction

1. In April 2024 we published the [Knowledge Exchange and Innovation Fund: Further Information](#) document. This announced details of the Knowledge Exchange and Innovation Fund (KEIF) model that will begin from AY 2024-25 and set out the expectation that universities would be required to submit five-year KEIF strategies (AY 2025-26 to AY 2029-30).
2. This document provides detailed guidance on the submission of five-year KEIF strategies. It covers the requirements and priorities for all universities in receipt of KEIF as well as information on SFC approval and annual reporting. A pro-forma for submission has been published alongside this guidance (see Annex A).
3. Completed five-year strategies should be submitted by email to the knowledge exchange and innovation team via keif@sfc.ac.uk by 31 January 2025. Any queries should also be directed here.

Purpose of KEIF strategies

4. It is through KEIF strategies and annual reporting that we will begin to better understand and articulate the value of broader Knowledge Exchange and Innovation (KE&I) activities to Scotland and how national metrics can be developed to further recognise these and improve the KEIF allocation model. KEIF strategies, annual reporting and case studies will form a key part in improving our evidence base, demonstrating the value of KEIF within our broader Research and Innovation landscape.
5. The KEIF is SFC's primary mechanism for supporting university KE&I activities. It is designed to drive forward university contributions to national policy priorities and better recognise institutions' individual and collaborative strengths, incentivising universities to design and adopt innovative new approaches to KE&I. The approach seeks to recognise the diversity of institutions and the value of the KE&I they deliver and embed equality, diversity and inclusion in KE&I activities.
6. Institutions in receipt of KEIF are required to submit, and have approved, a five-year KEIF strategy. This should outline institutional priorities for KE&I activity supported by KEIF and demonstrate alignment with the aims and ambitions of Scottish Government national priorities, such as Scotland's National Strategy for Economic Transformation (NSET) and the National Innovation Strategy (NIS).

8. The purpose of the KEIF strategies is to:
 - Understand institutional mission, contextual factors and ambitions that will shape institutional priorities and KEIF supported activity over the time period.
 - Understand key areas of strategic focus for each institution and plans to deliver Scottish Government national priorities, such as NSET and the NIS.
 - Recognise and maintain focus on the breadth of KE&I activity undertaken and its value, particularly where existing metrics do not fully capture this activity and its impact.
 - Support the development of new metrics (beyond financial) that capture the broader benefits/contributions and aid the development of any future KEIF model.
 - Support future engagement between SFC and individual institutions on KE&I ambitions and performance at an individual and collaborative level.
9. The KEIF strategy process will allow for institutions to update their strategy to reflect new approaches to challenges or opportunities annually as part of the monitoring and reporting process. This will ensure that strategies accurately reflect current opportunities and activities and will not require further Board/Court sign off. This annual process will also be utilised for any subsequent amendments required in relation to alignment to Scottish Government national priorities or other policy developments. SFC will work with KEIF strategy leads to oversee this process.

Content of KEIF strategies

10. The KEIF strategy pro-forma is designed to enable institutions to set out areas of strategic focus and outline how the institution will support the delivery of Scottish Government national priorities.
11. Guidance notes are included in the pro-forma to help with expectations for content. Further points on substantive areas are provided below. These are not exhaustive and, depending on the institution, we expect some will place greater emphasis on some of these than others.
12. Universities must submit five-year forecasts for KE&I metrics used to drive the formulaic element of the KEIF funding model. These forecasts should reflect institutional aspirations, in specific but not necessarily all metrics, and should match strategy narrative. A template with individualised institutional data (SFC KE metric and relevant Higher Education and Business Community Interaction Survey [HE-BCI] categories) will be emailed to institutional KE&I leads separately. A blank template is provided for example at Annex B. We would ask institutions to consider and provide any institutional metrics relevant to their KEIF strategies not already covered, particularly non-financial metrics that capture wider benefits and activities and may aid the development of the

model.

Section A: Overview

13. The section on strategy overview will enable institutions to set out to SFC their areas of focus for KE&I over the five-year period. Supported by a description of contextual factors, institutions should highlight broad areas of focus that reflect institutional mission but also align with Scottish Government national priorities.

Institutional context

14. This section should be used to provide contextual information about the institution. The information provided may be anything that the institution considers relevant to their KEIF strategy such as mission, economic context, institutional strengths, or KE&I focus.

Overview of strategic ambitions

15. Institutions should provide an overview of their five-year approach to supporting knowledge exchange and innovation activities and how these will be supported by KEIF. You should highlight broad areas which you are targeting/focusing on and describe how KEIF funding will align with your institutional mission and internal strategies.

Alignment to Scottish Government priorities

16. Institutions should ensure that their strategies align with Scottish Government priorities, such as the NSET and the NIS. This section should be used to set out specific information on how the KEIF strategy will contribute to these and if relevant other Scottish Government priorities.

Section B: KE&I capacity

17. KEIF allocations include a £250k Platform Grant towards maintaining each university's KE&I activities. This funding represents a contribution towards the costs of KE&I staffing, staff development, the development and embedding of KE policies and procedures and the maintenance of core activities.

Platform Grant

18. In accordance with the conditions of funding for KEIF, this section should be used by institutions to confirm they will provide match funding (cash or in-kind).

Overall capacity for KE&I

19. Institutions are asked to provide an estimate of the number of staff (Full Time Equivalent) directly supported by KEIF and an estimate of staff who have KE&I as a

significant part of their role. This may include both professional services staff and those in academic/leadership roles.

Section C: Outcome Grant activities

20. The KEIF formulaic element (Outcome Grant) is driven by data submitted through the KE metric return and the HE-BCI Survey (graduate start-ups and spin-outs active and survived at least three years). These KE&I activity categories, reflect Scottish Government priorities.

KE metric activity

21. Institutions should provide detail of their ambitions and approaches to the activities relating to KE metric income captured through the SFC KE metric return.

Graduate start-ups and spin-outs/Entrepreneurial Support

22. Institutions should provide details of their ambitions and approaches to supporting new graduate start-ups and spin-outs (and their survival over 3 years). Details of how they will deepen and expand entrepreneurship support through specific projects/collaborations should also be included. Institutions are encouraged to use this section to highlight targeted activity to address underrepresentation and promote inclusivity. Information provided should include five-year goals that reflect KE&I forecast data.

Section D: Wider KE&I activities

23. KEIF supports a broad range of knowledge exchange activities at Scottish universities that are delivered in partnership with industry, public and third sector organisations. These knowledge-based interactions result in significant economic and social benefits, however, they may be difficult to quantify as may be non-income generating.
24. Whilst we expect strategies to include details of ambitions against KE&I existing metrics, institutions should also ensure strategies reflect a broader approach to KE, recognising SFC aim to better evidence the value of broader KE&I through the KEIF model.

Wider societal impact

25. Institutions should provide narrative on ambitions and approaches to activities that are likely to be non-income generating which add societal and economic value to Scotland and beyond, making explicit reference to KEIF support. Types of non-income generating KE&I activity may include public engagement and public policy.

Collaboration

26. Collaboration is at the heart of KEIF and should be reflected across KEIF strategies. This section allows institutions to set out specific ambitions and approaches to working collaboratively across the sector and alongside SFC supported innovation infrastructure (Innovation Centres, Interface, Converge). Institutions should describe how their institution will collaborate and contribute to Scottish Government priorities ensuring a more cohesive KE&I system, working collaboratively with other institutions (universities and colleges) and SFC innovation infrastructure.

Regional approaches

27. Institutions are asked to describe the role their institution aims to play at regional level and consider how this may include colleges and the potential for shared services with explicit reference to KEIF support.

Section E: Equality, Diversity and Inclusion

28. Our aim is to ensure the promotion and advancement of equality, diversity and inclusion (EDI) is embedded in KEIF and its ongoing development. Strategies should include details of institutional ambitions and activities at an individual and collaborative level to enhance equity and inclusivity, outlining targeted activities that address underrepresentation, drive inclusive KE&I, and support the development of national EDI measures to evidence progress.
29. An equality impact assessment (EIA) is required as a condition of KEIF funding. This should be undertaken in parallel with the development of the strategy and used to inform its content.

Section F: KE&I culture

Promoting positive KE&I culture

30. Institutions should describe the approach they will take to support a positive KE&I culture over the next five years. Institutions are encouraged to suggest methods of measuring progress within their institution and wider sector.

KE Concordat

31. The KE Concordat (KEC) has a role to play in KEIF. At the point of submission, we will expect institutions to be familiar with and confirm commitment/sign up to the principles of the KEC. The KEIF strategy process allows for institutions to update strategies annually as part of reporting requirements. Recognising that KEC remains in development, this process will be used for any subsequent amendments and expectations in relation to KEC. We will be cognisant of the need to minimise burden and duplication.

Section G: Any further information

32. Institutions may wish to use this section to provide any relevant KE&I information not otherwise covered through KEIF supported activity.

Section H: Board/Court approval

33. Strategies should be approved at Board/Court level. Institutions should arrange for the strategy to be signed by the Principal and advise on approval date.

Submission and assessment of strategies

34. Using the pro-forma provided, strategies should be agreed at Board/Court level and submitted to SFC by 31 January 2025.
35. SFC is currently planning for strategies to be assessed by an expert panel in early 2025. This assessment will provide SFC with assurance that an institution has a long-term plan to best utilise their KEIF allocation to contribute to Scottish Government priorities and that they are committed to helping SFC better evidence the value of this investment. Feedback may be provided to institutions following this assessment with strategies finalised and published in their entirety (including EIA) on SFC's website by June 2025.

Annual Reporting requirements

36. Institutions in receipt of KEIF will be required to submit an annual report describing institutional performance against its KEIF strategy over the previous academic year and proposed priorities for the coming year. As noted, this annual process will also be used to adjust strategy requirements if required.
37. To understand fully the impacts of institutions' knowledge exchange activity, and the contribution of KEIF towards these, the annual report should include two case studies to demonstrate the value of KEIF. These will be used by SFC to demonstrate the impact of KEIF and to communicate the achievements of our institutions. A template will be issued to support the development of case studies. At least one of these case studies should reflect efforts in broader KE&I activities not currently captured in income metrics/national measures.
38. Five-year KEIF strategies will begin 1 August 2025, therefore a short report will be required in autumn 2025 only, including case studies capturing the benefit of AY 2024-25 (KEIF Year 1). More comprehensive annual reports on delivery against KEIF strategies should be submitted from autumn 2026. A template will be provided in advance.

Annex A: KEIF strategy pro-forma

Institution:

KEIF strategy lead¹:

Email:

Telephone:

Section A: Overview

1. Institutional context

Please provide a brief statement containing contextual information about the institution. The information provided may be anything that the institution considers relevant to the KEIF such as mission, economic context, institutional strengths, or KE&I focus. (max 250 words)

2. Overview of strategic ambitions

Please provide overview of 5-year approach to KE&I that will be supported by KEIF. You should highlight broad areas which you are targeting/focusing on and describe how KEIF funding will align with your institutional mission and internal strategies. (max 250 words)

3. Alignment to Scottish Government priorities

Describe how your KEIF strategy aligns with Scottish Government priorities, such as the National Strategy for Economic Transformation and Scotland's National Innovation Strategy. Please provide specific information on how the KEIF strategy will contribute to these priorities. (max 250 words)

¹ Personal data collected as part of the pro-forma return will be used for internal purposes only for the purpose of assessment and assurances relating to sign-off. No personal data will be shared or published wider. For further information relating to how the SFC processes and manages information, including data subjects rights, [please refer to our privacy notices](#).

Section B. KE&I Capacity

4. Platform Grant

Please confirm (or otherwise) that your institution will match fund the Platform Grant (cash/in kind) and provide high level details. Please provide narrative on how the Platform Grant will be used to support and enhance capacity and improve performance in KE&I. (max 200 words)

5. Overall capacity for KE&I

Please provide an estimated number of staff (FTE) directly supported by KEIF and an estimate of staff who have KE&I as a significant part of their role. This may include both professional services staff and those in academic/leadership roles.

Section C: Outcome Grant activities

6. KE metric activity

Provide narrative on ambitions and approaches to SFC KE metric areas. This should reflect the institutional forecast data submitted via KE return template (example provided at annex B). Describe how activities and resources will be prioritised to deliver on Scottish Government ambitions with explicit reference to KEIF support and what it will enable. (max 500 words)

7. Graduate start-ups and spin-outs/Entrepreneurial Support

Provide narrative on ambitions and approaches to entrepreneurial support and how this will be reflected in graduate start-up and/or spin-outs survival rates reflecting the institutional forecast data submitted via X. Describe how activities and resources will be prioritised to deliver on Scottish Government ambitions with explicit reference to KEIF support and what it will enable. (max 500 words)

Section D: Wider KE&I activities

8. Wider Societal Impact

Provide narrative on ambitions and approaches to activities that are likely to be non-income generating which add societal and economic value to Scotland and beyond, making explicit reference to KEIF support. Types of non-income generating KE&I activity may include public engagement and public policy. (max 500 words)

9. Collaboration

This section allows institutions to set out specific ambitions and approaches to working collaboratively across the sector and alongside SFC supported innovation infrastructure (ICs, Interface, Converge). Describe how your institution will collaborate and contribute to Scottish Government priorities ensuring a more cohesive KE&I system. (max 500 words)

10. Regional approaches

Describe the role your institution aims to play at regional level and consider how this may include colleges and the potential for shared services with explicit reference to KEIF support. (max 250 words)

Section E: Equality, Diversity and Inclusion

11. Embedding and promoting EDI

The promotion and advancement of equality, diversity and inclusion (EDI) should be reflected across KEIF strategies. This section allows institutions to set out approaches to drive inclusive KE&I. This section should also be used to suggest national EDI measures that can be developed to evidence progress in the future. (max 250 words)

12. EIA

Please confirm that an EIA has been undertaken and submit this with the KEIF strategy.

Section F: KE&I Culture

13. Promoting positive KE&I culture

Institutions should describe the approach they will take to support a positive KE&I culture over the next five years. Institutions are encouraged to suggest methods of measuring this. (max 200 words)

14. Knowledge Exchange Concordat principles

Please confirm commitment to the principles of the Knowledge Exchange Concordat.

G: Any other information

Institutions may wish to use this section to provide any relevant KE&I information not otherwise covered through KEIF supported activity. (max 250 words)

H: Court/Board approval

Please confirm that this KEIF strategy has been agreed at Court/Board level and provide date of approval.

I confirm that this KEIF strategy has been agreed at Court/Board level.

Signature:

Principal

Agreed by Court/Board on

Annex B: Sample spreadsheet

Metric data used in KEIF funding model

Confirmed data AY 20/21 to AY 23/24

Forecasts AY 24-25 to 28-29

Type of income	Source	Weighting	Confirmed data			
			20/21	21/22	22/23	23/24
			£			
Outreach	SFC KE metric return	5				
Enterprise schemes	SFC KE metric return	4.5				
Consultancy	SFC KE metric return	3				
CPD	SFC KE metric return	2				
Research	SFC KE metric return*	2.75				
Licensing	SFC KE metric return	1.5				
Translation	SFC KE metric return	1.5				
Venturing	SFC KE metric return	1.5				
Total						

Forecasts				
24/25**	25/26	26/27	27/28	28/29
£				

* Figure also reported in HESA Finance

** At the point of submission AY 24/25 data will be forecast data

		Number of				
Spin outs still active and survived at least 3 years	HE-BCI					
Graduate start-ups still active which have survived at least three years	HE-BCI					

Number of				

Additional institutional KPIs	
KPI 1	
KPI 2	
KPI 3	
