

Innovation Centres

Purpose

1. To provide the Committee with an update on the Innovation Centre Programme

Innovation Centre Programme: Phase 2 Business Plans

2. To date, Six of the eight Innovation Centres have completed their multi-partner appraisal process and have had Phase 2 business plans approved by partners. Council has assigned delegated authority to SFC Chief Executive to finalise contractual arrangements for these six Innovation Centres for Phase 2 funding.
3. The final two (Stratified Medicine Scotland Innovation Centre and the Oil and Gas Innovation Centre) will have decisions taken on their futures by Council at their 5 September meeting.

Innovation Centre Programme: Strategy

4. The Committee discussed the draft core principles proposed by IC programme partners (SFC, SE, HIE and SG) that would help develop a draft Innovation Centre Programme Strategy at its meeting on 11 June 2019. This was then discussed at Council Board (date?) with Council noting the high level draft principles of this strategy and requesting a developed version of the strategy for their September meeting. The Council Board advised that the final strategy should be bold and ambitious.
5. Progress against this request has been good with the IC partners (SFC, SE, HIE and SG) working closely on the strategy through the Innovation Centre Programme Board which met in late June taking full cognisance of the many moving parts at play in the innovation landscape such as the Scottish Government's Spending Review, Professor Heathwaite's Review of Research Pooling, Professor Muscatelli's review of university and business interaction and subsequent review of college innovation led by Audrey Cumberland and Paul Little.
6. Partners have been working dynamically in this context to set out the longer term vision and forward strategy for the IC programme recognising the re-emphasis of priorities set out in Phase 2 and the need to set out some incremental developments in this evolving innovation landscape.

7. Council is being asked to endorse the approach set out by partners in the draft Innovation Centre Programme Strategy at their meeting on 5th September 2019. This draft is attached for information. Partners have set out some incremental developments within the strategy in the context of evolving innovation landscape which we will report to Council on at future meetings. The timings and work plan for these developments will be discussed at next Innovation Centre Programme Board on 18 September.
8. Note that this draft is to be finalised and officially endorsed by partners (SE, HIE and SG) through the Innovation Centre Programme Board before being discussed with Universities Scotland and Innovation Centres.

Risk assessment

9. There are no risks associated with this paper.

Equality and diversity assessment

10. An equality and diversity assessment will form part of the IC Programme Board's development and implementation of strategy

Recommendations

11. The Committee is asked to note progress to date.

Publication

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

Further information

13. Contact: Gary Bannon, tel: 0131 313-6518 email: gbannon@sfc.ac.uk. Robin Lee, tel: 0131 313 6589: rlee@sfc.ac.uk

Innovation
Centres
Supported by The Scottish Funding Council,
Highlands and Islands Enterprise and
Scottish Enterprise.

Innovation Centre Programme - Strategy

1. This paper asks the Council Board to endorse the approach set out by partners in the draft Innovation Centre Programme Strategy.

Background

2. Council noted the high level draft principles of this strategy at its June meeting and requested a developed version of the strategy in September. The Council advised that the final strategy should be bold and ambitious.
3. Progress against this request has been good with the IC partners (SFC, SE, HIE and SG) working closely on the strategy through Innovation Centre Programme Board which met in late June taking full cognisance of the many moving parts at play in the innovation landscape such as the Scottish Government's Spending Review, Professor Heathwaite's Review of Research Pooling, Professor Muscatelli's review of university and business interaction and subsequent review of college innovation led by Audrey Cumberford and Paul Little.
4. Partners have been working dynamically in this context to set out the longer term vision and forward strategy for the IC programme recognising the re-emphasis of priorities set out in Phase 2 and the need to set out some incremental developments in this evolving innovation landscape.

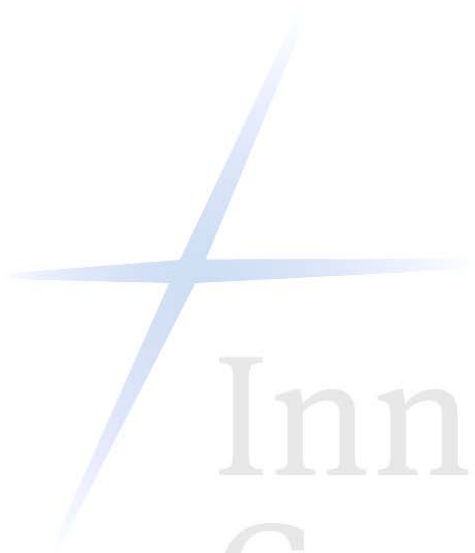
Recommendations

- The paper asks the Council Board to endorse the approach set out in the longer term vision and forward strategy for the Innovation Centre (IC) Programme attached.
- Partners have set out some incremental developments within the strategy in the context of evolving innovation landscape which we will report to Council on at future meetings. The timings and work plan for these developments will be discussed at next Innovation Centre Programme Board on 18 September.
- Note that this draft is to be finalised and officially endorsed by partners (SE, HIE and SG) through the Innovation Centre Programme Board before being discussed with Universities Scotland and Innovation Centres.

Financial implications

- Whilst there are no financial implications attached to this strategy directly, the implementation of this approach will ensure the most effective use of our

funding to support innovation and respond to the needs of our economy and Scottish Government priorities.

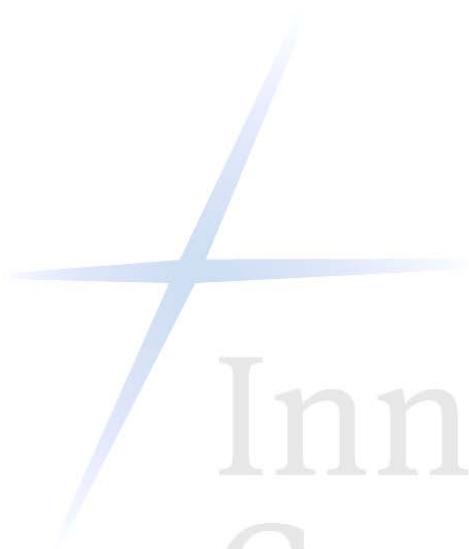


Innovation Centres

Supported by The Scottish Funding Council,
Highlands and Islands Enterprise and
Scottish Enterprise.

Cover paper

The ICPB is invited to endorse this strategy for the IC programme and to agree next steps which are proposed as:



Innovation Centres

Supported by The Scottish Funding Council,
Highlands and Islands Enterprise and
Scottish Enterprise.

Introduction

The Innovation Centre programme is funded in partnership by the Scottish Further and Higher Education Funding Council (SFC), Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE) and Scottish Government (the funding partners).

Innovation Centres bring the expertise and capabilities of Scotland’s universities, research pools, colleges and businesses, to address industry demand led opportunities that support growth of the Scottish economy. Innovation Centres support transformational opportunities for industry and work collaboratively to develop Scotland as a world-leading entrepreneurial and innovative nation.

Insert relevant text from SFC’s new strategic framework

Insert relevant text from SE’s new strategic plan

Insert relevant text from HIE’s new strategic plan

Insert relevant text from relevant SG strategy document

Strategy

Responsibility for this strategy shall rest with the Innovation Centre Programme Board (ICPB). It will be delivered in partnership by the funding partners, ICs, host-universities and other stakeholders.

This strategy is for the period 2019 to 2024. It will be a living document and will be reviewed and updated as and when appropriate.

This strategy is aligned with Scotland’s National Performance Framework – <https://nationalperformance.gov.scot/>

This strategy was developed in consultation with the ICs and host-universities.



The IC programme in Scotland's innovation system

We will promote ICs as **partners in Scotland's innovation system**, helping to drive economic growth and impact in key sectors, technologies, and finding solutions to some of the big challenges facing our society and environment – we will do this by:

- Promoting ICs internally and externally as key assets and partners in Scotland's innovation and skills system;
- Promoting ICs as UK and global ambassadors - for example, including their representation in Going Global, Scottish Government and RSE international missions;
- Prioritising IC business plan activity at winning funding from UK and international sources – including UKRI and UK Industrial Strategy;
- Encouraging Scottish Government to include IC representation on key fora such as the Scotland Can Do Business Innovation Forum (CDBIF).

A flexible and responsive programme

We will operate the IC programme to be **flexible and responsive** to the needs of Scotland's economy and Scottish Government priorities – we will do this by:

- Strengthening and working with the network of ICs to enable collaboration, sharing of good practice, and sharing resources where appropriate;
- Using the monitoring and evaluation framework (MEF) and other relevant evidence (such as the Muscatelli report) to inform and prioritise investment and enact change at the IC or programme level at any time;
- Agreeing, by the end of 2019, and implementing no later than summer 2022, a portfolio review of our current ICs and other opportunities, thereby enabling us to prioritise our investment in current and potential new ICs at a programme level;
- Inviting other ICs to operate under the IC programme brand where it makes strategic sense to do so.

Multi-partner contracting

We will adopt a **streamlined multi-partner appraisal process and more efficient contracting** – we will do this by:

- Running, by end of 2019, a ‘funding partner and IC staff learning workshop’ to review the phase 2 appraisal and funding review process and identify further improvements for future decision making;
- Through the IC programme board, consider our options for adopting a single contract model and make recommendations for this in early 2020;
- Agreeing, by end of 2019, a consistent methodology for measuring impact to inform the appraisal process for any future investment. This should take on board any guidance from the Scottish Government’s Strategic Board.

IC programme governance

We will ensure **excellent stewardship and governance** of the programme – we will do this by:

- Holding at least five IC programme board (ICPB) meetings per year supported by the IC programme steering group. Formalising our strategic liaison between the ICPB and ICs (including host universities) and other key stakeholders.
- Through the ICPB consider our options for resourcing, from programme funds, two FTE to manage and oversee the programme¹.
- Through the funding partners’ membership, seek advice and guidance from the Scottish Government’s Strategic Board on the programme’s effective contribution to Scotland’s innovation system.
- Monitor EC state-aid compliance.

Sustainable investment

We will **invest strategically and sustainably in the programme**, over appropriate timescales – we will do this by:

- Continuing to invest in the ‘core’ of ICs and less in IC managed project funds, reflecting our ambition for ICs to leverage significant investment from business and wider funding programmes from the UK and wider. Investing over long periods where the evidence is strong;

¹ This strategy will increase pressure on existing resources therefore we must consider what options we have to ensure excellent stewardship.

- Considering any proposals, and at any time (legal advice pending), from ICs regarding options for spinning out of the programme or other directions as appropriate;
- Using our networks to identify potential other sources of funding such as venture capital and the Scottish National Investment Bank;
- Organising by the end of 2019, an all IC and host-university workshop on the potential use of financial transactions to fund IC activity.

Equality and diversity and inclusive growth

We will **promote equality and diversity in all aspects of the programme** – we will do this by:

- Conducting an EHRIA of this strategy;
- Using the MEF to encourage ICs to continuously review their E&D strategies;
- Work with the ICs to identify opportunities for effective contribution to Scottish Government strategy for inclusive growth.

Climate emergency

We will ensure ICs are part of Scotland’s response to the **climate emergency** – we will do this by:

- Prioritising IC activity at opportunities related to Scottish Government net-zero targets and the ‘green economy’;
- Where relevant promoting ICs as partners in any future Scottish Government net-zero strategy;
- Using the MEF to encourage ICs to measure and improve their carbon emission in their everyday operations.

Measuring this strategy

We will **know our strategy has been successful** when:

- Our ICs are meeting or exceeding targets;
- The IC programme continues to form part of published Scottish Government strategy;

- Our portfolio of ICs is relevant to the needs of Scotland's economy;
- We can demonstrate the programme's contribution to the National Performance Framework;
- Industry invests significantly in IC facilitated project activity;
- Scotland's innovation and productivity performance improves.