
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 Director, 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: Helen Cross, Director for Research & Innovation, tel: 0131 313 6660, email: hcross@sfc.ac.uk.

Director's update

Purpose

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 August 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. This is my first meeting as Director of Research & Innovation since I joined SFC on 1 November, though of course I am familiar to the Committee from my previous role as UKRI observer. I'm enjoying getting stuck in, being immersed in SFC's activity and getting to know many of our stakeholders. Highlights from my first month have included events with DataLab, the Converge and Saltire awards and my first visit to the University of Stirling for the SFC Board meeting.
12. We also recently welcomed Dr Julia Mitchell to the team. Julia joins us from the Rowett Institute where she was Head of Knowledge Exchange, Impact & Communications and is working as a Senior Policy/Analysis Officer within our KE&I Team with a particular focus on Innovation Centres. Welcome Julia!
13. Congratulations to Fiona Bates and Charlotte Matheson who have both received well-deserved promotions to Senior Policy/Analysis Officer in the KE&I and research teams respectively. Well done Fiona and Charlotte!
14. You may have noticed that we have issued a job advert for four vacancies within the Directorate last week with applications due by 13 December. These are for two further Senior Policy posts within KE&I Team as well as one Policy Officer role and one Policy Officer role in Research. Please share the advert as widely as possible.

Support for research and innovation during Horizon Europe delay

15. On 21 November, the Department of Business, Energy and Industrial Strategy (BEIS) [announced](#) a package of immediate investment for the UK's R&D sector as the decision on UK association to Horizon Europe remains unconfirmed. As part of this, UKRI will

deliver £280 million in new funding to help address the impacts of the ongoing delay which includes:

16. £150 million investment in UK research and innovation infrastructure
17. £30 million Talent Research and Stabilisation Fund, to help universities and research organisations retain talent and target funding vulnerabilities at a local level
18. £100 million additional Quality-related Research (QR) funding for universities and research organisations to target other priorities as necessary, delivered through Research England.
19. The announcement made clear that both the QR funding and the investment in research and innovation infrastructure involve “additional funding for the Devolved Administrations”. We are engaging with the Scottish Government to work through details and hope to be able to provide further information to the sector in the coming days.

Scottish Government Innovation Strategy

20. 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.
21. The Strategy’s development process is nearing its end and the Committee will receive an update during our meeting.
22. 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 recognition of the important role we, our universities and colleges, and our supporting infrastructure can play in the delivery of the strategy.

Scottish government budget

23. The Scottish Government Budget is currently planned for 15 December. The resource spending review announced in May outlined a flat cash settlement for further and higher education to 26-27 but inflationary pressures mean that this translates into real terms cuts. As a reminder, the capital spending review, which includes core funding for research and innovation, was announced in February 2021 for the period to 25-26 and outlined small yearly increases to higher education capital up to 2.3%.
24. While we don’t know the details of the FY 23-24 settlement, the fact that the DFM has recently announced in-year savings for FY 22-23 (an unusual move) is an important

indicator of the challenging financial environment in which we're operating. We are committed to sharing details with the sector as soon as we possibly can and to working with them to mitigate challenges as far as possible.

UK R&D POLICY updates

25. There has been significant political disruption in Westminster since the Committee's previous meeting in August, with changes in Prime Minister and the Cabinet.
26. On 17 November the UK Government delivered the [Autumn Statement](#) which, after significant concern from the sector, delivered a ringfence for the UK R&D budget and a recommitment to increase public spending on R&D to £20 billion a year by 2024-25. The Statement also outlined changes to R&D tax credits, with rates increasing for large companies but decreasing for SMEs. The sector welcomed the recommitment on R&D spending but challenged the changes to tax credits, citing the key role of SMEs, including university spin-outs, in driving growth.
27. The UK Science Minister has been confirmed as George Freeman. This followed an extended period where it appeared that there was two BEIS Ministers with the science portfolio – Freeman and Nusrat Ghani, who was Science Minister following Freeman's resignation in the summer. Freeman is Minister for Science, Research and Innovation and will be covering domestic and international science and research, Horizon Europe and UKRI among other areas, and Ghani is Minister for Industry and Investment Security.
28. There is mounting concern about UK Government policy and rhetoric on international students with reports of plans to limit visas for students coming to complete "low quality" degrees. There has been a response, including from UUK International, to highlight the critical role of international students in supporting the UK economy and in underpinning the breadth of university activity, particularly research, through cross-subsidisation. This comes amidst increasing scrutiny of collaboration with China and the growing focus on trusted research.
29. Sir Paul Nurse's Review of the UK R&D landscape is still anticipated although timelines are currently not clear.

International research funding

30. We are continuing to engage with BEIS in relation to the planned combined ODA and non-ODA international fund – the International Strategic Partnerships Fund (ISPF) - due to launch in FY 2023-24. It is expected that SFC and the devolved funding bodies will receive ODA and non-ODA dual support consequentials.
31. The total allocation is expected to be significantly smaller than previous Quality-related (QR) Global Challenges Research Fund (GCRF) allocations. Any ODA funding must be spent on ODA eligible research activities and comply with related legal requirements therefore, as with GCRF, there is likely to be a significant monitoring requirement.

32. We are currently working with the BEIS ODA Research Management Team in developing the formula allocation method, as well as how to balance the ODA related legal requirements with appropriate levels of sector burden. We anticipate that activity may change depending on the status of the UK's association to Horizon Europe.

Updated expenditure on R&D statistics

33. The Office for National Statistics (ONS) has [published the latest statistics](#) on UK expenditure on R&D. The data for 2020 shows that the UK HE sector contributed £13.9 billion in expenditure – 22% of the overall £61.8 billion estimate. In Scotland the HE sector contributed £1.6 billion – 34% of the overall national £4.8 billion estimate. The new figures include accounting for self-funded R&D in HE (which previous estimates did not) drawing on Transparent Approach to Costing (TRAC) data.
34. Business R&D expenditure across the UK is now measuring higher than previously estimated due to a change in the metrics used by the ONS to better incorporate small business expenditure. In Scotland the business sector contributed £2.9 billion – 61% of the total. The comparable UK figure is 71%.
35. The new R&D expenditure statistics are not yet included in gross domestic product (GDP) calculations and ONS will not estimate R&D as a proportion of GDP until “towards the end of 2023”. Therefore, we won't know how much closer the UK is to the target to invest 2.4% of UK GDP in R&D for another year.

UKRI engagement event in Dundee

36. On 24 and 25 November UKRI held a strategy engagement event in Dundee. The event focused on 'World Class Ideas' and explored the diversity of UKRI-funded research and innovation across Scotland and showcased our national role in the UK's world class research and innovation system. The main focus was a plenary session at the V&A which featured remarks from Dame Ottoline Leyser, UKRI Chief Executive, and a series of guest speakers from the University of Glasgow, Science Ceilidh and Michelin Scotland Innovation Park.
37. SFC worked with members of the UKRI team in the preparation of the event and helped to shape and participate in two adjacent roundtables focused on public engagement and university-college collaboration.

UK Committee on Research Integrity Strategy Consultation

38. The UK Committee on Research Integrity (UKCORI) is [consulting on their inaugural strategic plan](#) which covers the period from January 2021 to May 2025.
39. The [draft](#) sets out a mission to 'work across all research environments and disciplines to promote and strengthen research integrity throughout the UK, and in the UK's

international research partnerships' It outlines a definition of research integrity and an approach based on four pillars of work: promote research integrity; support research integrity; define the evidence base; and build new directions.

40. The SFC team have been involved in an online consultation session and the Committee are invited to share any feedback on the draft strategy in writing.

Recommendations

41. Members are invited to:

- Note the updates contained in the paper and given orally; and
- Seek further information from the Director, the SFC team or other members or observers as appropriate.