

6 August 2020

Dear Colleague

Thank you for inviting us to provide input to the SFC Review of Coherent Provision and Sustainability in Further and Higher Education. I am pleased to respond on behalf of SAIC and its industry-led Board, and have used your six questions to structure our input.

a) What works well

Collaboration between SFC, the higher and further education sector and industry is critical to secure Scotland's inclusive social and economic recovery post-pandemic, and Scotland should build on existing approaches that have demonstrated success.

The Innovation Centres (ICs) programme has shown its effectiveness at delivering inclusive social and economic benefits through industry-academic collaboration on applied research, knowledge exchange and skills development. In SAIC's case, our investment of £6.7m in research in 2014-19 leveraged a further £35.8m from industry and other sources, with a forecast economic impact of 204 FTE jobs created (170 in rural areas), and £48.2m GVA and £27m of extra research income generated.

In addition, SAIC and other ICs have been exemplary in anticipating and modelling recommendations of the Muscatelli Report (2019) on driving innovation in Scotland (2019). For example, SAIC has shown repeatedly how a single organisation can use its expertise, sector networks and relatively small financial contributions to help attract more UK funding into Scotland, through both industry-led and HEI-led bids. To date, SAIC has been involved in putting together nine successful projects bids for UK funding, including to BBSRC, the Industrial Strategy Challenge Fund, UK Seafood Innovation Fund and Marine Fisheries Fund. These projects have a total value of £5.9m, with a total of £3.8m going to HEIs.

The IC programme also offers a model to address the Muscatelli Report's plea for better information exchange between universities, industry and public agencies. In SAIC's case, this includes bringing together industry leaders, SMEs, academia and public agencies on our Board; and keeping research and innovation at the heart of Aquaculture Industry Leadership Group discussions.

As a consequence, we would recommend that SFC and other agencies (1) maintain and prioritise their investment in applied research; and (2) nurture industry-connected mechanisms – such as the ICs – that accelerate innovation and cascade it through industry via knowledge exchange activity.

We would also suggest that, with Scotland's resources stretched, it is essential to focus on sectors and technology areas identified as having clear economic and social potential. Aquaculture has been praised by the Cabinet Secretary for Rural Economy as one of Scotland's 'real economic success stories', while the award of £17m of City Deal funding to University of Stirling's Institute of Aquaculture recognised the scope to translate research in aquaculture into applied solutions and economic development. SAIC also supported the recently announced £100m Islands Growth Deal, of which £4.4m has been allocated to shellfish growth and R&D projects.

b) What should be done differently

The recent report of the independent Advisory Group on Economic Recovery commended 'the public sector's rapid adoption of new ways of working and regulating during lockdown', using wording taken from SAIC's own submission to its consultation. We would suggest that the HE sector too could aim for greater responsiveness and fleetness of foot.

In SAIC's experience with multiple HEIs, progress on innovation can be impeded by processes that disadvantage SMEs and start-ups (eg payment delays and processes around IP rights), add expense (eg

procurement requirements) and delay projects (eg procurement and administrative bottlenecks). As well as being detrimental to individual projects, this can deter businesses – especially SMEs – from using Scotland’s outstanding research base to support growth.

c) Supporting international connectedness and competitiveness

The HE and FE sector and its funders should support and extend what already works. Universities, colleges and others should work with internationally-informed bodies, such as ICs and trade bodies, who have strong networks overseas and are able to identify and capture global market opportunities.

d) Opportunities and threats

The threats to colleges, universities and specialist institutions are already well documented, so we will not comment further. Rather, we would emphasise that opportunities remain. The pandemic has heightened awareness of food security – an area where Scotland’s research expertise in sustainable aquaculture has global importance. There is a valuable opportunity for researchers and industry to develop and export our intellectual capital, and it would be short-sighted to let current funding pressures deoxygenate the significant economic potential.

e) Collaboration within the tertiary education ecosystem

Our responses to previous questions have largely covered this question. Firstly, the collaboration mechanisms provided by industry-connected organisations such as ICs offer a coherent and cost-effective solution to our challenges and opportunities.

Secondly, SAIC and other ICs have fostered a culture where pre-competitive collaboration on large-scale research projects is now viewed as ‘normal’ by staff at all levels in industry. This shift in culture and funding, in a relatively short timeframe, could be of interest to research organisations, including research universities.

f) SFC support for recovery

SAIC’s arrangements for working with SFC and other agencies differ from those of HE and FE institutions, so we will confine our response to the innovation sphere.

The aquaculture sector and SAIC have long praised SFC’s vision to set up the ICs programme, and are grateful for its continuing support. In mapping the future of the programme, we see clear benefits for funding and monitoring processes that ensure strong governance, without diverting resources through requirements that are duplicative or better suited to larger projects.

We also see a clear role for SFC, government and other agencies to use their expertise, governance role and engagement with the ICs (and other organisations) to be more proactive in proposing ideas or mechanisms for innovation. A ‘governance-plus’ approach that goes beyond formalistic governance could enrich our future activity and contribute to economic and social recovery.

If you would like further information on any of these points, we would be delighted to provide it, and also to contribute to future phases of your consultation and review. Please contact my assistant Susan Ward at susanward@scottishaquaculture.com to make any arrangements.

With kind regards,



David Gregory

Chairman, Scottish Aquaculture Innovation Centre