

## **Director's Update**

- The paper provides a summary of a number of recent developments of potential interest to the Committee which are not otherwise on the agenda.

## **Recommendations**

- 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**

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

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## Director's Update

### Introduction

1. This paper contains a selection of updates of potential interest to the committee since its February 2022 meeting.
2. The executive will continue to send notice of events or publications, for example, between meetings where timeliness is important.

### Changes in SFC's Research & Innovation team

3. As the Committee are aware, I am leaving SFC after 17 fantastic years to become University Secretary at the University of Strathclyde. The Director of Research & Innovation [role](#) is being recruited alongside an exciting new Deputy Director for Economic Development and Climate change [role](#) which will sit in the R&I team but have links into SFC's broader skills and economic policy and strategy. Further changes are underway in the team as we said a fond farewell to Robin Lee at the end of May.
4. SFC's organisational change and development journey was heralded within our Review of Tertiary Education and Research and we have ambitions to grow by a third over the next three years. We envisage that further recruitment in the R&I directorate team will be an important component of this.

### Scottish Government Innovation Strategy

5. Following the publication of the [National Strategy for Economic Transformation](#) (NSET) at the beginning of March, the Scottish Government is developing a new Innovation Strategy which will set out a ten-year vision to transform Scotland's innovation ecosystem to ensure that our businesses, people and institutions are ready to meet the global economic challenges and opportunities we face over the next decade. The Strategy is due to be published in August 2022.
6. The Strategy is focused on five thematic areas: world leading excellence and expertise; investing in innovative businesses; adoption and diffusion of technology; role of the public sector and procurement; and innovation infrastructure and architecture. A [call for evidence](#) has been published to inform the development.
7. SFC's Chief Executive is a member of the Innovation Strategy Steering Group, which is co-chaired by Ivan McKee MSP, Minister for Business Trade, Tourism

and Enterprise, and Sir Jim McDonald, Principal of the University of Strathclyde. The Group brings together key representatives and innovation leaders from the private sector, public sector and academia.

8. The SFC R&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 early recognition of the important role we, our universities and colleges, and our supporting infrastructure can play in the delivery of the strategy.

### **SFC Alliances for Research Challenges**

9. Following the Committee's discussion in February, we published a call for expressions of interest for new [SFC Alliances for Research Challenges](#) (ARCs) that will connect Scotland's research excellence to Scotland's national challenges. ARCs will build on our distinctive collaborative ethos and our world-class universities – drawing in others including Innovation Centres, research institutes, industry partners and policy-makers – to prime the Scottish landscape to respond to challenge-focused research funding opportunities.
10. Following the deadline for expressions of interest on 6 June, an assessment panel will support us to identify the challenge areas where ARCs will be developed. Challenges will be announced by the end of July after which the development of the coalitions/networks to deliver up to 4 ARCs will take place over the second half of the year. An update will be brought to the Committee's next meeting in October.

### **UKRI engagement**

11. UKRI's Board held a meeting and undertook engagement in Edinburgh on 10-11 May. As part of the visit, SFC's Chief Executive and Chair met with UKRI's Chief Executive, Ottoline Leyser, and Chair, Andrew Mackenzie. The meeting was an opportunity to consolidate our continued close working and discuss areas of UKRI's strategy where we can work together to deliver impact for Scotland and the whole of the UK.
12. SFC also held a networking reception to allow Board members to meet with a broad selection of Scottish research and innovation stakeholders and receive a positive view of the contributions of Scotland to UKRI's mission, including the many ways that the sector will contribute to the delivery of UKRI's strategy. The

reception was a success with connections made, insights gained and challenges faced in extracting UKRI Board members from the room when the time for their next engagement came!

13. UKRI is in the final stages of determining its allocations across its Councils, having received a multi-year settlement during the UK Government's Spending Review in October 2021. Allocations include Research England, but not Innovate UK whose budget is separate with an individual allocation at the SR and a three-year rising trajectory. We anticipate that UKRI will include a focus on building collaborations across the organisation that make the most effective use of their budget.

### **Horizon Europe association and domestic alternatives**

14. The UK's association to Horizon Europe remains unconfirmed and tied up with challenges surrounding the Northern Ireland Protocol. Despite consistent sector advocacy the stalemate persists and, though Plan A remains the preferred outcome, there is a mounting sense that time is running out.
15. The Secretary of State, Kwasi Kwarteng, wrote to the sector last week outlining disappointment that the EU *"are politicising science and research co-operation"*. He also gave a clearer sense of the pressing timeline stating that *"if the UK is unable to associate to EU programmes soon, and in good time to make full use of the opportunities they offer, we will be ready to introduce a comprehensive set of programmes in their place."*
16. BEIS is exploring Plan B domestic alternatives, as [outlined](#) by Science Minister George Freeman, and UKRI have published [guidance](#) on the guarantee of funding for successful applicants to the first wave of Horizon Europe grant awards. We are engaging with the Scottish Government on opportunities to share a Scottish sector view.

### **ARIA**

17. The UK Government has published a [Memorandum of Understanding \(MoU\)](#) between the Secretary of State for Business, Energy and Industrial Strategy, the Scottish Government and the Welsh Government on the independence of the Advanced Research and Invention Agency (ARIA). It ensures "maximum autonomy" for the £800 million Agency.
18. The MoU is reported to be drawn up following concerns raised by Minister Jamie Hepburn that the funder of "high-risk, high-reward" research would not

have adequate independence from the UK government and that the Scottish Government would not have shared oversight of the new R&D funder.

19. According to the agreement, ARIA's funding will be allocated by an independent leadership and programme managers with technical expertise. It also outlines ways in which devolved nations will be involved in its decision-making, including through a new CSA forum.
20. The new funding agency remains without a Chief Executive after Peter Highnam announced he would not take up the role for personal reasons. He was due to join the UK agency in May, for a fixed term of five years, to lead its formation and to direct its initial funding of programmes.

### **Trio of UK Reviews - Landscape Review, UKRI Review and Bureaucracy Review**

21. The three ongoing major UK R&D reviews are progressing towards their endpoints and their outcomes are likely to influence the UK's research and innovation system –
22. **The Landscape Review**, led by Professor Sir Paul Nurse with a focus on organisations that deliver research in the UK, is likely to report in the Summer. Our understanding remains that the UK's public sector research institutes and UK Government Departmental R&D funding will be feature in Sir Paul's recommendations, with the devolved implications and knock-on implications for university research as yet unknown.
23. **The Review of UKRI**, led by Professor David Grant with a focus on the efficacy, efficiency, accountability, and governance of UKRI, is also due to publish in the Summer.
24. **The Bureaucracy Review**, led by Professor Adam Tickell, is due to be published imminently with a focus on identifying reforms to research bureaucracy in order to preserve and enhance the UK's scientific and research strengths.

### **Risk assessment**

25. 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.

### **Equality and diversity assessment**

26. No policy advice is sought in this update paper so no assessment has been

performed. Items of committee business arising from developments reported

### **Recommendations**

27. The Committee is 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**

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

### **Publication**

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

### **Further information**

30. Contact: Dr Stuart Fancey, [sfancey@sfc.ac.uk](mailto:sfancey@sfc.ac.uk)