

Universities Scotland submission to the Innovation Centre Review

About Universities Scotland

We are a membership organisation working for the Principals and Directors of Scotland's 19 higher education institutions. We develop higher education policy and campaign on issues where our members have a shared interest.

Submission

1. Is the original vision for the Innovation Centres programme current and correct?

We are supportive of the vision for the Innovation Centres programme and welcome the chance to input to this Review.

2. From your experience so far, are the Innovation Centres delivering against this vision?

Given the broad and ambitious nature of the vision it is too early in the life of the whole Innovation Centre programme to accurately make this judgement. We will be interested in the outputs of the economic review, and how this time limitation is factored into the final report.

We are also aware that Innovation Centres are at various stages of development and cover a diverse range of sectors. It is correct that these Centres evolve to meet the different demands of each sector, but this will be a development process, which requires time, so this Review should be conducted in the spirit of continuous improvement. We would note that we have seen detailed feedback on individual Innovation Centres provided from institutions. Universities themselves, depending on their discipline mix, will interact with different Innovation Centres and therefore have, collectively, a diverse experience. The points of comparison each institution can provide will be useful in this Review to enable sharing of best practice and improvements across the programme.

We note the most recent annual review of the Innovation Centres and the existence of a monitoring and evaluation framework. It would be useful that the annual review (at least) be made publicly available. This is important for transparency of use of public funds and to understand the interim measures the funders have used to understand the rate of progress.

In terms of cultural change within institutions, Innovation Centres can play an important part but we would highlight the significant efforts undertaken within universities to continue to embed a culture of Impact (including working with businesses) and to develop enterprise and entrepreneurial skills amongst staff and

students. ¹ Relatedly, we have received positive feedback on engagement events organised by Innovation Centres as a valuable forum to work towards establishing these ‘open communities’. Innovation Centres can have a valuable role, due to their sector focus, in promoting innovation within businesses too (given the currently low business R&D investment in Scotland)² and offering a central focus for peer networks for their sector. ³

Moving toward sustainability is a focus for all Innovation Centres but realistically this will be over a longer term horizon. There may be scope for funders to consider the Catapult funding model which is recognised as international best practice. ⁴ We also note that, whilst sustainability will be an important outcome, that public support may always offer routes to stronger outcomes and so public partners should maintain a route to support.

3. To what extent do the priorities of Innovation Centres reflect those determined by industry?

A key consideration in the innovation ecosystem is the importance of improving business demand for innovation (in all forms) and therefore there is a need to consider both push and pull in the performance of the Innovation Centres.

The Review may usefully reflect on the new skills provision from the Innovation Centres including Masters provision and PhDs. Our discussions with industry representatives has, across the board, emphasised the critical importance of talent and Innovation Centres could add value here. Such studentships crystallise partnerships with businesses, are drivers of innovation in their own right and, with many students then recruited by the companies, offer a route to a longer term culture change and enduring innovation relationship with the university. For the university such studentships offer excellent opportunities for individual students and add to the breadth of departments’ industry partnerships.

The Boards of the Innovation Centres are majority industry representation which ensures the activities of the Centre are industry-led.

Individual Centres can point to emerging examples of significant investment by industry in IC projects, an early indication of strong partnerships and activity focussed on industry demand.

4. How has the relationship between business and academia evolved since the creation of Innovation Centres Programme?

The landscape is complicated and it is crucial that there is good connectivity between the different interventions and strong referral systems across all parts of the system.

¹ Universities Scotland’s ‘Making it Happen’, 2015

² NCUB’s ‘Growing the Value of R&D in Scotland’ 2015

³ NUCB’s ‘The Step Change: Business-University Collaboration Powering Scottish Innovation’

⁴ Review of the Catapult Network, Dr Hermann Hauser, 2014

Feedback has indicated that this connectivity has not yet been fully achieved and there is work to be done to better integrate with the landscape, including connecting into Interface. There are also opportunities to better leverage opportunities through engagement with initiatives such as the KTP centres, enterprise agency offerings and UK/EU level opportunities (particularly to support the onward development of initial projects which may enable access to large funding streams). Furthermore feedback indicates there is scope to better connect Innovation Centres with those universities that are not admin hubs. We expect that the Innovation Centres can grow into this role once fully established, however, it will be important that duplication in this space is minimised and that we work together to enhance collaboration wherever possible.

Scottish universities undertake world-leading research⁵ which is the key to the innovation system – there is the potential for this excellence in combination with initiatives such as the Innovation Centres to provide a unique Scottish brand which further leverages investment into Scotland, given the already strong performance of Scotland in attracting investment on the strength of research. ⁶ This international aspect could be an important focus for the future of the Innovation Centres.

5. How effective and proportionate has the oversight of Innovation Centres been?

As Universities Scotland we are represented on the Innovation Centre Admin Hub Group and we understand that there have been some difficulties in set-up and finalising processes, which is understandable given the nature of the Innovation Centres. Partners have worked constructively to overcome this. A better connection at Board level will help to increase mutual understanding of process and practice so we consider that it would be valuable that there is an institutional /admin hub representative on the Innovation Centre boards (i.e. a senior officer representing the institution). We also see value in having a representative of RCDG (Research and Commercialisation Directors' Group) involved with governance structures such as the CEO Forum to clearly connect with the university knowledge exchange functions.

We have received input noting potential duplication of functions between Innovation Centres and university business development functions, as well as a concern on the high management costs of each Centre. While this may be necessary as part of the set-up of the Innovation Centres we offer this observation for discussion.

6. Do you have any other views such as suggestions for the evolution or future direction of the Innovation Centre programme?

As with many investments, a long term approach is needed. We know that public sector investment in research increases business confidence and facilitates business

⁵ <http://www.universities-scotland.ac.uk/bite-size-briefings/research-excellence-framework-2014/>

⁶ Ernest and Young. EY's attractiveness survey: Scotland 2015: Scotland on the world stage, 2015

investment.⁷ Similarly we would expect that a long term view of the Innovation Centres will encourage business confidence in becoming involved and enable establishment of strategic relationships.

Sustainability should remain an aim however there needs to be care to calibrate the drive towards this to the circumstances of particular industries and to recognise that public funding should always be an option if there is a case for it maximising sought outcomes.

Joint working between public agencies in developing the Innovation Centres has been welcome. Additional thought might helpfully be applied to how companies engaged with Innovation Centres can call on enterprise body support and how the enterprise bodies might more systematically 'refer in' companies to Innovation Centres and universities more broadly.

For further information

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⁷ Department for Business, Innovation and Skills' 'Leverage from public funding of science and research', 2013