

SFC Guidance

University Innovation Fund – Guidance for AY 2017-18

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Summary: This guidance sets out arrangements for the University Innovation Fund AY 2017-18

FAO: Principals and directors of Scotland's universities

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University Innovation Fund – Guidance for AY 2017-18

Introduction

1. This guidance sets out arrangements for the University Innovation Fund (UIF) in AY 2017-18 and provides guidance on the process for submitting plans for the use of the UIF to the Scottish Funding Council (SFC).

University Innovation Fund

2. The UIF replaced the Knowledge Transfer Grant (KTG) in AY 2016-17. It comprises the Platform Grant and Outcome Grant. It was developed in response to Scottish Government guidance¹ and following consultation with the sector².
3. The UIF sits within a policy framework which includes the Universities Scotland (US) 5 point action plan, the Innovation Scotland Forum (ISF) action plan, Scotland Can Do Innovation Forum and the Scottish Government's review of Enterprise and Skills support.
4. The UIF exists to support HEI infrastructure and capacity to engage in knowledge exchange and innovation in support of SFC's strategy and the Scottish Government's economic strategy. In order to receive UIF funding HEIs are expected to develop their 'services' in the spirit of continuous improvement and enhancement, and collaboration.
5. The UIF is aligned with SFC's Outcome Agreement process which, for the next cycle, will be a three year cycle over the period AY 2017-20. Further information on the alignment, starting in AY 2017-18, of UIF with the Outcome Agreement process is provided at **Annex A** and detailed below where relevant.

Platform Grant

6. SFC decided in December 2015³ that a Platform Grant of £250k per HEI per year would be allocated where an individual institution could make use of it effectively. It is our intention to continue that element of the UIF at this level⁴.
7. The Platform Grant represents a baseline contribution towards maintaining each university's knowledge exchange and innovation activities. This element can be used at the institution's discretion to support maintenance of core staff

¹ Scottish Government asked SFC to implement "...innovative new approaches to exploiting our research base and incentivising those who adopt them" Letter of guidance to SFC 2015-16.

² www.sfc.ac.uk/communications/Consultations/2014/SFCCN012014.aspx

³ [Council paper SFC/15/66 – Review of Knowledge Transfer Grant](#)

⁴ Subject to the availability of funds and the final outcome of the Scottish Government's review of the enterprise and skills agencies.

and activities, support activities (such as public and cultural engagement) as well as staff development and development of policies and practice.

8. Institutions are expected to provide match funding if they are able to, giving stable, predictable core funding for innovation support and knowledge exchange of £500k per annum.

Outcome Grant

9. The second element of the UIF, the Outcome Grant, will be distributed on the basis of satisfactory contribution to the delivery of national outcomes aligned with the Scottish Government's economic strategy⁵, with universities working collaboratively where appropriate.
10. The Outcome Grant should also be used by universities to support a wide range of commercialisation, knowledge exchange, public engagement and other activities.
11. The national outcomes for AY 2017-20 have been identified through a sector wide workshop facilitated by SFC⁶ (October 2016) and are attached at **Annex B**.⁷ SFC's Research and Knowledge Exchange Committee (RKEC) endorsed this approach at its meeting in November 2016.
12. The seven outcomes represent the areas where, over the next three years, the Scottish sector can demonstrate progress towards delivering significant improvements on Scotland's already good performance.
13. HEIs are invited to submit individual responses on their planned use of UIF AY 2017-18. See paragraph 21 below. Depending on the HEI, it is possible that engagement with some, rather than all, outcomes may be appropriate. In future years, each HEI will propose the activities or specific actions (collaborative activities are encouraged where appropriate) in support of the delivery of these outcomes through the Outcome Agreement process.

Distribution method

14. The current allocation model for the UIF Outcome Grant is modelled on the capacity of Scottish HEIs' for knowledge exchange – based on the KTG AY

⁵ www.gov.scot/Resource/0047/00472389.pdf

⁶ Workshop participants included members of Universities Scotland Research Commercialisation Directors Group and representatives of Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise and Interface.

⁷ Previously agreed UIF 'priority actions' for AY 2016-17 are articulated under these high level outcomes. These outcomes are intended to demonstrate alignment with the Scottish Government's economic strategy and provide a clear direction of travel. It should be noted that Annex B is intended to be an evolving document.

2015-16 allocations as informed by the AY 2014-15 metric return⁸. It is our intention to continue to fund HEIs at this proportion⁹, conditional on HEIs demonstrating proactive engagement with the UIF approach, as evidenced through meetings facilitated as part of the Outcome Agreement process beyond AY 2016-17.

15. The Council's Board will agree the total amount of UIF funding and individual allocations in March 2017 as part of its consideration of final funding allocations for Outcome Agreements.

Monitoring and evaluation

16. From AY 2017-18, the monitoring of both elements of this grant at an institutional level will pass to the Outcome Agreement process, strongly supported by the SFC's Research and Innovation Directorate.
17. Institutions will be asked to report on the delivery of their AY 2016-17 plans as part of their October 2017 Outcome Agreement self-evaluation.
18. A framework for monitoring and evaluating outcomes will be co-developed by SFC and the sector and implemented in AY 2016-17. This will be the main mechanism by which SFC will measure the impact of UIF at a national level and will also serve as a platform for the sharing of good practice.
19. The (former) KTG metrics will be collected for AY 2016-17 but will not be used to define funding allocations. The collection is at the request of Scottish Government as specific metrics are used to inform the Scotland Performs indicators. Institutions continue to be required to complete the HESA Higher Education Business Community Interaction (HE-BCI) data return. SFC will work with institutions to support the accuracy of returns and with HESA to revise the return to include Scottish specific data where this is appropriate. HE-BCI data will serve as a useful indicator of sectoral activity and how the landscape is evolving.

University responses to the UIF outcomes for AY 2017-18

20. The national outcomes for the UIF have been framed for the period AY 2017-20. For AY 2017-18, HEIs will conduct activity in support of delivery of most, if not all, of the national outcomes. HEIs will interpret the national outcomes into the specific actions. Innovative approaches to delivery are encouraged.

⁸ AY 2015-16 allocations were informed by the AY 2014-15 KTG metric return - <http://www.sfc.ac.uk/nmsruntime/saveasdialog.aspx?IID=15614&SID=8819>

⁹ Subject to the availability of funds and the final outcome of the Scottish Government's review of the enterprise and skills agencies.

21. Institutions are invited to submit their individual responses to uif@sfc.ac.uk by **Friday 27 January 2017**. Submissions should detail the contribution each HEI will make towards delivering the national outcomes, individually and in collaboration¹⁰, and should not exceed four sides of A4 in length. Each institution should identify their ability (or otherwise) to utilise and match fund the Platform Grant.
22. Institutions should also submit an equality impact assessment of their contribution to the delivery of the national outcomes.
23. From AY 2018-19 the process set out above will be subsumed by the Outcome Agreement process.

Further information:

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¹⁰ SFC will expect consistency across submissions where collaborative activity is described.

Annex A: Alignment of UIF with the Outcome Agreement process

AY 2016-17

1. In 2017 – progress on delivery of 16-17 plans to be monitored by Research and Innovation team, either through the submission of formal reports or bespoke meetings with individual HEI's.
2. October 2017 – HEIs report on delivery of their 16-17 plans as part of the Outcome Agreement (OA) self-evaluation.
3. The monitoring and evaluation framework (Priority Action 9) will be established in 16-17.

AY 2017-18

3. HEIs will draft their plans for AY 2017-18 over December 2016 / January 2017. RKEC will be asked to approve these in February 2017. HEI plans are then folded into respective OAs for 17-18.
4. In 2018- progress on delivery of 17-18 plans discussed as part of OA process. This is either part of normal scheduled meetings or bespoke.
5. October 2018 – HEIs report on delivery of their 17-18 plans as part of the OA self-evaluation.

AY 2018-20

6. UIF is fully aligned with the OA process and submissions are negotiated as part of the OA process.

Annex B – Outcomes for UIF AY 2017-20

Outcome	Policy drivers / evidence	Current priority actions	Potential actions ¹¹
<p>Outcome one (demand stimulation): working with Scotland’s enterprise agencies, Scottish Government, business networks, Interface, and others, Scottish HEIs will have helped to increase the demand and quality of engagement from businesses and the public sector for university services.</p>	<p>The NCUB GVS Taskforce recommended (R3) that the Scottish Government “...must drive-up the innovative capacity of businesses.” The Scottish Government wishes to “...foster... a culture of innovation and research and development.”</p>	<p>* Enhance skills for effective collaboration within the academic and SME business base (PA5)</p>	<p>* Collaborative pitches to businesses * Annual showcases</p>
<p>Outcome two (simplification / commercialisation): in partnership with the Enterprise Agencies (EAs) and Interface, Scottish HEIs as a sector will have demonstrably simplified business access to the knowledge and expertise in Scottish universities.</p>	<p>Simplification of business access to innovation support forms a core part of the Scottish Government’s ambitions. The US 5 pt action plan and IS action plan both prioritise this area.</p>	<p>* Post project referral protocols – HEIs and ICs (PA8) * Shifting from the transactional to more strategic relationships (PA6) * Implement enhanced template contract arrangements for SME’s in all Scottish universities (PA7)</p>	
<p>Outcome three (simplification / greater innovation): in partnership with the EAs and Interface, Scottish HEIs will, at a national level, have made strategic use of their sectoral knowledge to promote greater innovation in the economy (including beyond non-STEM).</p>	<p>The NCUB GVS task force concluded that innovation pathways vary by sector and policy and practice should be flexible in response to this. Under ‘Scotland Can Do’ the Scottish Government wishes to drive the sharing of innovation expertise across different sectors.</p>	<p>* Encouraging mobility of staff between business and universities (PA3) - <i>enhances understanding.</i> * Set out breadth and depth of professional development available to University Enterprise & Innovation officers; identify any gaps (PA4). * Implement enhanced template contract arrangements for SME’s in all Scottish universities (PA7)</p>	

¹¹ These have either been suggested by Universities Scotland Research Commercialisation Directors Group or the UIF October 2016 workshop.

<p>Outcome four (entrepreneurialism): Scottish HEIs as a sector will have made a significant and positive change in the way entrepreneurial opportunities are promoted and delivered to students, HEI staff, and businesses.</p>	<p>Under Scotland Can Do the Scottish Government states “Entrepreneurship and innovation are for everyone [and]... an entrepreneurial ‘mindset’ can be learned and a culture that supports it created.”</p>	<p>* Promote entrepreneurial opportunities to students during their studies (PA1). * Increase development opportunities for and uptake of entrepreneurial training and education, and develop institutions’ practitioner-led entrepreneurial training (PA2). <i>It was discussed at the UIF workshop that scope, current scale, and the position of separately funded initiatives such as Enterprise Campus, Converge Challenge etc. will need to be mapped/understood.</i></p>	
<p>Outcome five (international): in partnership with Scottish Development International, Connected Scotland and others, Scottish HEIs will have pooled their knowledge and networks, and shared good practice to promote and engage Scotland internationally (operating under Scotland’s International Framework).</p>	<p>The Scottish Government in its economic strategy wishes to promote “...Scotland on the international stage to boost our trade and investment, influence and networks.”</p>	<p><i>* (Development of the structures and mechanisms to give) more effective support for Scottish businesses to trade on a European and global stage (PA11) Feedback from the October workshop suggests that this action may require to be reviewed for 17/20. Supporting “businesses to trade” has been argued as out of scope.</i></p>	<p>* Brexit - proactive development of European networks * The international investment hubs * Collective representation</p>
<p>Outcome six (inclusive growth and social impact): Building on current and good practice Scottish HEIs will have scaled up their support of the Scottish Government’s ambitions for inclusive growth.</p>	<p>Scotland’s research base can have impact beyond pure economic terms. The public engagement manifesto states “...universities and research institutes have a major responsibility to contribute to society through their public engagement...”</p>	<p>* (Development of the structures and mechanisms to give) more ambitious and effective connection of universities to social and cultural beneficiaries (PA10)</p>	
<p>Outcome seven (equality and diversity): Building on current and good practice HEIs will have ensured positive promotion of equality and diversity in staff and all who are affected by the use of the UIF.</p>	<p>Scottish HEIs are proactive in this area. They also have a legislative duty to respond to the general and Scottish specific duties of the Equality Act (2010). HEIs should consider the equality and diversity impact of their use of the UIF and actively seek to build on good practice to ensure positive promotion of equality and diversity in staff and all who are affected by the use of the UIF.</p>	<p><i>No specific actions were agreed for this area for 2016-17.</i></p>	<p><i>Our vision is to firmly embed equality and diversity in the UIF. The activities or specific actions proposed by an HEI (collaborative where appropriate) in support of UIF outcomes/objectives should reflect a commitment to advancing equality and diversity where this is appropriate.</i></p>