

## Consultation on changes to our funding policies for knowledge exchange and innovation (KE&I)

Organisation	Interface
<p><b>Question 1: how should the outcomes framework currently in place for UIF evolve to ensure University KEIF is structured to deliver on its renewed purpose and has the right strategic drivers and incentives in place?</b></p>	<p>Interface welcomes the opportunity to contribute to this consultation across all aspects of the Knowledge Exchange &amp; Innovation system. UIF and its predecessor (Knowledge Transfer Grant) are fundamental to supporting capacity and capability across all Universities to enable knowledge exchange and to lever significant funding from other sources e.g. UKRI and industry. Without UIF, it would be impossible for Universities to respond to company led challenges facilitated by Interface or from other sources.</p> <p>The range of UIF outcomes that have been in place for a number of years have supported collaborative working groups and sharing of good practices across participating universities. For each university to join each UIF outcome working group is a significant commitment of resources, particularly for small specialist institutions. Interface has also participated in several of the work streams to share best practice and regional and national insights from being the ‘eyes and ears’ on the ground supporting academic business engagement.</p> <p>The evolution to University KEIF provides a timely opportunity to instigate a renewed focus on cross cutting themes such as equality, diversity and inclusion, net zero, a collective understanding of consistent monitoring and evaluation and both collation and promotion of outcomes and impacts. The focus on fewer numbers of outcomes but a commitment to engagement across all themes would ensure a renewed focus on the strategic importance of KEIF by all Universities.</p>
<p><b>Question 2: what are your views on the current UIF collaborative framework, how could this evolve and be sustained to support further good practice and purposeful collaboration? Is there a role for the Knowledge Exchange Concordat in this context or more generally?</b></p>	<p>There are many common themes between the UIF collaborative framework and the Knowledge Exchange Concordat. The sharing of the learnings from the subset of Scottish Universities participating in the Knowledge Exchange Concordat has been very welcome. It has served to highlight the significant progress on collaborative working practices that UIF outcomes have delivered to date. However, purposeful collaboration can be enabled by focusing on a few key themes (as noted in Q1) that deliver real outcomes and be sustained on current resources, rather than a multitude of outcomes that spread resources very thinly.</p> <p>The independent research across all Scottish Universities undertaken by [<i>Anonymised</i>], Adam Smith Business School, University of Glasgow in collaboration with Interface has supported insights with</p>

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	<p>respect to incentives and barriers to KE&amp;I that are both internal and external. The publications from this research could support further good practice and purposeful collaboration in Scotland.</p>
<p><b>Question 3: what are your views on how the impact and outcomes of University KEIF should be measured, including the role of metrics or other indicators in any future funding and allocation model? We would welcome views on current or potential good practice regarding measuring net-zero KE&amp;I activities and outcomes.</b></p>	<p>The evolution to KEIF provides a significant opportunity for SFC and other stakeholders to ensure it provides incentives for the desired impacts and outcomes across the entire KE&amp;I ecosystem from nurturing future entrepreneurs to incentivising collaboration with SMEs.</p> <p>Interface has a long-standing track record of monitoring and evaluation of outcomes and impacts and in particular monitoring against key parameters such as net-zero KE&amp;I activities and outcomes. Since AY2021/2022 we have benchmarked the commitment to net zero and fair work for each company we support. This complements the review of potential impacts and outcomes arising from the collaborative projects brokered by Interface, six months post completion. For example, a company may not have considered the principles of fair work and could therefore avail of support from the Enterprise Agencies with respect to their tailored programmes when introduced by Interface.</p> <p>Scotland is particularly well-advanced in its approach to measuring wider economic benefit and well-being through its National Performance Framework (NPF). The themes from Scotland’s National Performance Indicators (NPI) have proven very useful to map the portfolio of collaborative R&amp;D projects facilitated by Interface. At its heart, Interface is designed to help businesses grow by fostering meaningful engagement with academia, using research and development to create innovative new products, processes and services and to improve existing practices. As a result, the projects it supports mainly contribute to the NPI’s economic outcome in its widest sense, promoting research and development and supporting entrepreneurial activity which boosts productivity and leads to economic growth. This is the primary outcome supported by 71% of the projects brokered by Interface in AY2019/20, and the secondary outcome supported by a further 9% of projects.</p> <p>Beyond the economic outcome, culture, the environment, communities and health are the primary NPI outcomes supported by a further 21% of projects receiving assistance in AY2019/20. Together, these five outcomes account for the primary benefit identified in 92% of the projects brokered by Interface. Secondary outcomes were identified in 64% of cases and these tend to be more widely</p>

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	<p>spread across the range of NPF outcomes. The largest concentration is in projects that support the environment, health, education, the economy, communities, culture and international outcomes. Together, these seven outcomes account for 93% the secondary outcomes supported by the projects.</p> <p>The ‘Four Capitals’ approach also provides a helpful tool for analysis that complements the NPF. By investing in and protecting the four capitals of economic, human, social and environmental assets, Scotland will generate well-being for current and future generations.</p> <p>The four capitals are:</p> <ul style="list-style-type: none"> <li>- Economic Capital “the financial”, intellectual and physical assets from applying human productive activities to natural capital, which are used to provide a flow of goods and services;</li> <li>- Natural Capital “the world’s” stock of natural assets which includes geology, soil, air, water and living things. Some of these are fixed assets and some are renewable;</li> <li>- Social Capital “the networks” together with shared norms, values and understandings that facilitate co-operation within or among groups;</li> <li>- Human “the knowledge”, skills, health and well-being that people accumulate throughout their lives.</li> </ul> <p>We would be pleased to share our current monitoring and evaluation practices across the Universities and Colleges with a view to considering what is practical and possible. We have streamlined data collection over the past few years, but there is no doubt that tracking outcomes and impacts particularly from SMEs remains extremely resource intensive.</p>
<p><b>Question 4: how could the University KEIF, with Interface, help support collaboration with colleges, collectively supporting Scotland’s SME base to be more innovative?</b></p>	<p>From the regular quarterly meetings that the Interface team hold with College representatives, there is a significant interest in more joined up approaches to collectively support innovation within Scotland’s SME base. However, the lack of resources within Colleges prevents greater and deeper collaboration. Where ring fenced funding is in place for example The Edinburgh and South East Scotland City Region Deal good practices are in place e.g. Colleges supporting the delivery of digital and data skills which in turn support greater adaptations and innovation within the company.</p>

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	<p>Currently, collaborative projects jointly delivered by University and Colleges working together with an SME tend to emerge organically as the academics know one another and draw on their relevant strengths. For example, University of Strathclyde, Ayrshire College and Floco have successfully partnered for an R&amp;D programme in manufacturing. Interface brokered the relationship with University of Strathclyde who in turn identified the need for a College partner with specialist skills.</p> <p>Subject to additional resources within Interface and Colleges, we would welcome an opportunity to be more directive e.g. upon completion of an R&amp;D collaborative project each SME is offered an opportunity to have an impartial discussion with its local College to establish how the outcomes from the R&amp;D programme can be utilised to support workforce innovation and embedding of the results within the company.</p>
<p><b>Question 5: how could core capacity funding (College KEIF) best support colleges to be effective agents of KE&amp;I? We would particularly like to learn from colleges directly on what KE&amp;I means to them and where capacity is needed to deliver this effectively, which could include building on current practice.</b></p>	<p>Interface welcomes the recommendation for core capacity funding (College KEIF) to support colleges to be effective agents of KE&amp;I. From our regular meetings with College representatives there is significant willingness to enable deeper innovation across companies but is hindered by current lack of people resources both to engage with organisations like Interface along with greater flexibility across the College lecturers and specialists to deliver technical or skill -based collaborations with industry.</p> <p>There are significant opportunities to strengthen the current relationship between Interface and Scotland’s Colleges. We would welcome the formal expansion of Interface’s role to link in with the college networks and co-design action plans so that they can offer their support to industry .</p> <p>The learnings from working with individual UHI Colleges offer good practice in developing deeper engagement with Colleges’. With targeted resource, there is a real opportunity for Interface to engage with Colleges’ to support workforce and workplace innovation for companies. However, this requires significant additional resources for both Colleges and to Interface. The outcomes from closer co-operation between Colleges and Interface could enable a step change in company led R&amp;D being absorbed into the business. Engagement with Colleges would facilitate workforce upskilling so that innovations could be embedded rapidly within the company in a practical manner.</p>

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	<p>It is clear that partnership and collaboration are currently limited by lack of resources within Colleges' and within Interface to offer in depth support to Colleges'. Between August 2020 and January 2022, company led expertise requests were issued on 26 occasions to Colleges, with four expressions of interest being received (15.4%).</p> <p>Building on the extensive regional intelligence that Interface gains from engagement with businesses and other organisations, a pilot has been agreed to share all industry led challenges translated by the Interface team with a subset of Colleges' for the next three months. Whilst we don't anticipate that the responses from Colleges' will be greater than the current benchmark of 15%, it does offer a significant opportunity for Colleges' to understand innovation needs from local businesses.</p> <p>The engagement of Colleges' with employers to up-skill and re-skill employees to support inclusive economic growth in Scotland via the Flexible Workforce Development Fund (FWDF) provides intelligence on company requirements and how this could evolve to enhanced support for new product, process and service development.</p> <p>Interface would be pleased to build on current engagement and insights emerging from companies supported via the FWDF to support Colleges on deeper and wider engagement. For example employees undertaking Food Hygiene Training via the FWDF could receive follow on consultations with respect to technical challenges with new product development or reducing energy costs for food and drink production.</p>
<p><b>Question 6: we would welcome views on what would be an appropriate period for SFC to run the first cycle of College KEIF before formally reviewing it and establishing a mature model for future years.</b></p>	<p>Interface would suggest that a four-to-five-year funding commitment to a College KEIF would be necessary before a formal review. Such a commitment would allow for an initial start-up phase when key personnel are recruited, a delivery phase of 2-3 years and then a formal review. The timing of the review before the cessation of the pilot funding, is critical so that key staff are retained to progress to a mature model rather than face uncertainty of contracts which in turn will result in loss of knowledge and expertise.</p>
<p><b>Question 7: we would welcome views on the potential value of using College KEIF to create</b></p>	<p>The College KEIF needs to be designed to ensure it provides incentives for the desired impacts and outcomes. Many frameworks and mechanisms for collaboration and sharing of good practice are already in place e.g. College Business Development Directors group, the series of Interface academic</p>

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<p><b>frameworks for collaboration and sharing of good practice across the colleges, and with universities.</b></p>	<p>webinars with representation from across all Scotland’s Colleges and Universities, College Development Network (CDN) research and enhancement centre and CDN member networks that cover a wide range of areas.</p> <p>There is willing and interest on both sides to engage, and the academic webinar series Interface initiated in AY 2020/21 was conceived to be inclusive of colleges. The two most recent webinars delivered in AY 2021/22 had registrations from 9 colleges showing their interest and the relevance of topics. The Interface team also respond to any requests for awareness raising sessions to College staff on an ad hoc basis playing an educational role. For Colleges looking to engage with Interface further, we are able to provide templates and training materials prepared for University Knowledge Exchange teams and can facilitate instructions to comparable institutions with the aim of sharing best practice in relation to managing Interface expertise requests.</p> <p>These provide an excellent starting point for augmentation and redefining common themes for example barriers to embedding learning, deeper engagement with industry. Themes of equality, diversity and inclusion, best practice in metrics and communication of outcomes relevant to the college sector would allow significant cross sharing with the University KEIF (Q1-3).</p>
<p><b>Question 8: our review recommended that we co-design the Entrepreneurial Campus strategy with colleges and universities. We would welcome views on what is proposed in this consultation, including potential opportunities, weaknesses and gaps.</b></p>	<p>Interface would be pleased to contribute to the co-design of the Entrepreneurial Campus strategy with colleges and universities drawing on our experiences of working across the diversity of academic disciplines from science and technologies to arts and humanities in all Universities and engaged Colleges.</p>
<p><b>Question 9: we would welcome evidence of current practice in Scotland (or elsewhere) to ensure we have an up-to-date picture of what is working well and upon which the Entrepreneurial Campus strategy could build on.</b></p>	<p>The development of a pan Scotland Entrepreneurial Campus strategy offers a significant opportunity to join up education, teaching, careers and knowledge exchange practices across Universities that although are highly complementary, currently operate in isolation.</p> <p>Many academic departments across Scottish Universities (including but not limited to business schools, engineering and life sciences and computing sciences) have embedded individual or group industrial work-based learning projects into undergraduate or taught post graduate degrees as a</p>

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unique industry-academia collaboration mechanism. These support many of the attributes that underpin the Entrepreneurial Campus strategy.

Current practices from across universities would indicate

- There is significant co-design and entrepreneurial collaboration underway with industry and external organisations that takes place at individual departmental level (e.g. as part of the undergraduate or postgraduate curriculum of Business or Engineering Schools) but this is not joined up with other industry facing activities e.g. support for student entrepreneurs led by Research and Enterprise offices.

- This real-world work experience has hugely enhanced the students experience and built their career and employability skills. The collaboration mechanisms ensure that firms are supported with both talented graduates and academic expertise, students are offered an opportunity to become 'work-ready' graduates with real time entrepreneurial and industrial experience and academics have an opportunity to acquaint themselves with real-world problems that can then be channelled into research and teaching.

- For example, one leading University Business school remarked that At least 70% of the businesses the school supports come in through learning and teaching opportunities (working with students), this can then lead to more complex (in-depth) engagements. My advice is to engage with our system through learning and teaching projects, get your business known to the academics and professional services staff running the courses and go from there.

Interface supports businesses and organisations to translate industry led challenge into a robust proposition (expertise search) for identification of capability and capacity by academia. In some instances, the delivery solution proposed by the University is via a student work based learning project. These projects benefit the Universities and students by supporting entrepreneurship, skills, talent and employability which in turn benefits the economy through additional employment and the industry by delivering a skilled workforce. 37.1% of collaborative projects in this category lead to additional outcomes / follow on engagement with the same partner University. This is in part due to

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	<p>graduates obtaining employment within the supported company following a successful collaborative project. Indeed, many students feel that opportunities to engage with practitioners in their field, are the highlight of their studies.</p> <p>The track record of Interface in supporting individual academic and professional services departments across many Universities provide valuable intelligence for the design of the Entrepreneurial Campus Strategy.</p>
<p><b>Question 10: the Review recommended that the university and college sectors join SFC in repositioning Innovation Centres (ICs) as stable long-term infrastructure investments. We would welcome views on the details of the proposed ‘repositioning’ as described in this consultation, including any opportunities, weaknesses and gaps.</b></p>	<p>Interface welcomes the opportunity to work alongside key stakeholders on the repositioning of Innovation Centres (ICs) as stable long-term infrastructure investments. As noted in Qs 11 and 12 we have considerable experience of co-operation and complementarity with the programme of Innovation Centres.</p> <p>The proposed repositioning could explore the considerable opportunities to develop more seamless pathways of support for companies adopting best practices in data sharing and digital streamlining with other parts of the ecosystem e.g. Interface, Enterprise Agencies etc.</p>
<p><b>Question 11: we would welcome views on how we could best strengthen the Innovation Centres’ relationship with universities and colleges, ensuring added value, sense of partnership and collaboration, avoiding duplication of effort etc. This would include opportunities for alignment and partnership with Interface, Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise and other relevant agencies and organisations.</b></p>	<p>We see considerable opportunities for alignment and partnership with all of the Innovation Centres, building on good practices that we currently have in place.</p> <p>There are several examples of industry led collaborative projects facilitated by Interface that have drawn on funding and other forms of support from Innovation Centres including but not limited to: IBioIC Feasibility funding, engagement with CSIC and SAIC events and networks, Datalab executive education, skills and talent programmes.</p> <p>For example Current Health (formerly Snap40 Ltd) is an early example of an escalation from an Interface brokered Innovation Voucher to more specialised support from DHI Innovation Centre. Some Innovation Centres have referred companies to Interface where the stage or objective of the industry requirements is outwith their scope. e.g. CSIC approached Interface to identify a suitable academic partner who would work with the Eildon Housing Group to help them establish a low carbon, energy efficient design solution for new build affordable housing that would alleviate fuel poverty for their tenants.</p>



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Engagement with CENSIS has focused on sharing insights on pan Scotland opportunities and challenges including productivity, skills and net zero. We are currently exploring greater alignment including escalation of companies from initial Interface support to more in-depth engagement with CENSIS.

Through quarterly meetings with DHI senior management we are progressing collaboration and future alignment opportunities and formalising engagement via an MOU. DHI and Interface intend to scale up signposting of companies to each other:

- DHI to Interface where companies require support with business/technical development
- Interface referring companies and academics to DHI innovation cluster if interested in policy insights, shared learning and collaborative funding opportunities.

Interface have been sharing time bound opportunities including those related to funding with networks directly and via social media and joined the DHI innovation clusters to enable the identification of opportunities and ideas for exploration including possible joint events.

Partnership working has also supported alignment to pan Scotland opportunities for example public sector engagement. Recently, Interface, CENSIS, South of Scotland Enterprise and Scottish business network have formalised a partnership with CivTech Scotland to deliver innovation in the public sector by collaboratively solving challenges to make people's lives better. The partnership provides a ground breaking model for alignment and partnership across Interface, Innovation Centres, Enterprise Agencies and other relevant agencies and organisations.

On the basis of Interface's wide range of expertise there are opportunities for further streamlining across the Innovation Centre Programme including but not limited to: best practice in administration of academic business challenge calls via digital processes; Interface to promote and inspire businesses and academics with the opportunity to join special interest research groups; management of a database of interests; expertise and skills across the Scottish universities and colleges.

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<p><b>Question 12: we would welcome views on potential areas of future opportunity where the Innovation Centre model could help deliver outcomes for Scotland.</b></p>	<p>Since their inception, the Innovation Centres have evolved considerably drawing on significant intelligence from their industry led strategic and operational Boards and groups. The independent Review of Innovation Centres Programme, chaired by Professor Graeme Reid also provided insights on further evolution to deliver outcomes for Scotland. In parallel, other physical and virtual innovation centres have formed that are delivering on cross-cutting themes e.g. National Manufacturing Institute Scotland (NMIS), Fraunhofer Centre for Applied Photonics.</p> <p>The Innovation Centres are a valuable asset to the innovation landscape focused on sector specific support with the aim of developing transformational projects. Interface is designed to be a generalist, not specialist service so can help all individuals, businesses and organisations of any size, any sector, and so is a natural entry point to access -University/College expertise including Innovation Centres. Most businesses know their need but not their solution. Interface considers the full landscape including Innovation Centres from the outset, to give the business all possible routes to reach their solution. The review of the knowledge exchange and innovation infrastructure provides an opportunity to redefine the relationship between Innovation Centres and Interface to ensure complementary approaches using the strengths each organisation has to benefit the business and academic landscape.</p> <p>The mission led approaches proposed in Q18 provide a rapid and cost-effective mechanism to trial new areas and gain valuable intelligence on academic expertise, industry demand and stakeholder commitment e.g. resilient supply chains, addressing child poverty, just transition to net zero. The Interface team have considerable experience in designing and rolling out ‘fleet of foot’ approaches to deliver outcomes for Scotland e.g. Adopt a business ‘enabling resilience’ and adaptation for the tourism and hospitality sector, addressing food and drink net zero challenges etc.</p>
<p><b>Question 13: we would welcome views on strengthening Interface’s relationship with universities and colleges, ensuring added value, sense of partnership and collaboration, avoiding duplication of effort etc. This would include opportunities for alignment and partnership with</b></p>	<p>Interface was set up in 2005 and has so far carried out over 6,000 expertise searches on behalf of industry. To date almost 3,000 collaborative projects were initiated with over £33m funding leveraged in from industry and other sources including UKRI and other challenge funds. Interface are keen to build on the value it adds to the universities and colleges and welcomes this consultation to provide further insight and intelligence into what is required to strengthen these relationships and maximise the benefit of their service in a partnership approach. Interface welcomes the opportunity</p>

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**Innovation Centres, Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise and other relevant agencies and organisations.**

to move away from a geographical split across funders to a core funding settlement; scale up the operation of Interface to increase impacts; in particular funding to drive college engagement and extend funding rounds beyond short term allocations to allow strategic planning for growth that supports Scottish Government priorities for economic recovery and a just transition to net zero.

The impacts delivered by the team in Interface are making a significant difference in driving innovation and unleashing entrepreneurial potential across Scotland's business base. In Feb 2021, an independent report from Biggar Economics Ltd outlined the contribution to the Scottish economy from research and development projects between businesses and academics enabled by Interface was £88.9m GVA (gross value added), and supported 1,595 jobs, with expectations to reach £222.3 million GVA and 3,193 jobs. Moreover, in AY2020-2021 from public domain information £99m investment has been raised by 39 companies supported by Interface.

The report concluded that: Interface is crucial to Scotland's economic resilience and highlighted Interface's place-based approach means that all rural and urban businesses and communities can access innovation support and it delivered across all Scottish Government priorities including health, environment, communities, education, young people and international development. Interface brokers projects that deliver short term impacts, e.g. responding to COVID-19, as well as contributing to longer term targets, like net zero. 75% of businesses have ongoing relationships with universities through Interface's service. There is a 100% customer / client satisfaction with the Interface service.

Partnership and collaboration have been at the heart of engagement with all of Scotland's Universities and latterly Colleges. Excellent processes are in place to impartially share challenges and opportunities faced by industry with relevant experts across Scottish academia. The overall response rate by Universities and Colleges to expertise searches is 93% and seen as a valued route to business to academic engagement.

A key strength of Scottish Universities is the diversity across multiple disciplines and modes of operation including joined up approaches of Research Pools and Innovation Centres. However, this breadth of the offering across 28,000 academics and 2,000 departments can be difficult for a business

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who 'does not know what it does not know' to navigate and find out who is best placed to support their challenges. Interface's translation experience, impartiality and the ability to offer different solutions helps the businesses make informed choices to solve complex problems that are barriers to growth, profitability and sustainability.

There is recognition that Interface's network of points of contact within Universities and Colleges have many other roles and responsibilities and the lack of dedicated resources has been a barrier to engagement in some institutions, in particular responding to industry led challenges. Looking forward, the consultation provides an opportunity for Interface to engage with Senior Management across University Research and Enterprise offices to redefine and or reaffirm the priorities with respect to Interface's relationship with their institution to ensure opportunities are not being missed and support is in place to accelerate from an initial collaboration with a business to a deeper strategic relationship.

The 6000+ led enquiries translated by Interface are relevant for research, knowledge exchange and technology transfer but also provide insights for policy and practice in relation to entrepreneurship, employability, talent and skills both now and in the future. Furthermore, the regional approach with the Interface team based in multiple locations across Scotland including universities, enterprise agency offices and business centres is supporting businesses no matter where they are located.

Over the last eighteen months, Interface has enhanced its relationships with the universities and colleges sharing regular insights with each institution on regional trends, outcomes and impacts emerging from projects to provide intelligence and adding value to support their own decision making and areas of focus. Projects brokered by Interface deliver a wide range of economic and societal benefits not only for the businesses but also the economy at a regional and national level. These include health improvements, environmental protection, supporting communities, delivering education, helping young people, supporting international development and alleviating poverty. In many cases, these outcomes take precedence for the business over the aim of growing employment and turnover the quantitative impacts (jobs and GVA) are secondary impacts for some of these businesses. In AY 2020/21 92% of projects facilitated by Interface delivered at least one positive

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environmental or societal benefit: Net Zero/Sustainability (49%), Equality and Diversity / Fairness and a Just Society (40%), Social Inclusion (57%). Though industry focussed challenges, these figures also demonstrate where universities are also impacting positively on wider society through these collaborations. Interface has strong processes in place to record these impacts and shares exemplar case studies to showcase positive impact and stories resulting.

All three Enterprise agencies, Highlands and Islands Enterprise (HIE), Scottish Enterprise (SE), South of Scotland Enterprise (SOSE) are members of the Interface Strategic Board and funders of Interface. Regular reporting is in place to share regional data that in turn supports deeper engagement by the Enterprise Agencies with companies who initially engage with Interface. However, we know there continues to be opportunities to refresh the knowledge of Interface with advisors to highlight how translation and impartiality delivers real company benefits.

The partnership and engagement between Interface and each of the Enterprise agencies is bespoke but in line with their strategic plans to enable innovation. The Highlands and Islands Interface team works across HIE's 8 regions, making relationships stronger and enhancing area product knowledge. Hosted in HIE's HQ means that the team is known to many HIE staff; seen as complementing the work of HIE's Innovation staff. Looking ahead, Interface will continue to focus on further integration with HIE's activities where Interface could play a useful role.

The partnership between Interface and Scottish Enterprise continues to evolve and adapt to their delivery programmes including account management and more recently opportunity management. The overall prize is a seamless journey of support for the business from initial engagement with any part of the innovation ecosystem.

In 2021 Interface and South of Scotland Enterprise (SOSE) entered a partnership to enable Interface to inspire greater numbers of businesses and communities in the region of the benefits and opportunities from working with Scotland's academic base. This has proven a success delivering increased engagement and a strong partnership has been established between SOSE and Interface with growing collaboration and discussion across operational and strategic levels. Looking ahead we

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will work with SOSE to support their strategic goals, ensure greater numbers of referrals and integrate Interface into their evolving business support mechanisms (e.g. accelerators) which will enable us to engage with greater numbers of South of Scotland business and communities.

Interface has been working more closely with Scottish Development International (SDI) in particular supporting inward investment opportunities where R&D is central to the company. One such company supported in early 2020 is Celestia Technologies Group headquartered in Holland. Through Interface brokerage, the team at Celestia have created a very productive partnership with Heriot-Watt University. As part of their commitment to Scotland, the company has established a dedicated research and development base at the University and are exploring strategic R&D partnerships with the School of Engineering and Physical Sciences. We see real potential in cultivating this partnership with SDI and Scottish Government building on the recent success of the Scottish Inward Investment Catalyst Fund.

More recently Interface has fostered synergistic collaborations with a key set of organisations including CivTech to support innovation within the public sector and Firstport and CEIS to support social innovation. These partnerships have led to efficiencies of referrals and advocacy across companies new to Interface.

All industry sectors in Scotland are addressing the challenge of advocating net zero, fair and inclusive practices and increased productivity being adopted by businesses in a way that adds to the bottom line. Partnerships brokered by Interface between businesses and academia are demonstrating the practicalities of embedding new practices into companies alongside enabling validation of disruptive technologies. A good example of this is Sustainable Thinking Scotland CIC.

In addition, the Interface brand as a national programme has been significant in leveraging funding from Scotland Food & Drink and Scottish Government to deliver new funds for academic business collaborations. This builds on the long standing partnerships with VisitScotland and the Scottish Tourism Alliance which has supported a significant number of tourism and hospitality businesses to rapidly adapt and diversify as a result of COVID-19 (for example the 'Adopt a Business initiative' which

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	<p>was also shortlisted as a finalist at the Praxis Unico Knowledge Exchange awards.).</p> <p>To deliver transformational growth there is a passion and ambition by the Interface Strategic Board and Executive team to enable even more impactful collaborations between Scotland’s colleges and Universities by connecting them to businesses and communities. This in turn will deliver greater translation of funded research into impacts. However, as noted in the 2021 independent report from Biggar Economics Currently a tiny organisation running at full capacity, there is no space for the Interface team to increase the scope or scale of operation in its current operational and funding context. Streamlining is already in place, productivity is high, and so if more companies are to be serviced then more people will be required. Without increasing in size, we miss a key opportunity to increase the impacts Interface creates.</p> <p>We have addressed our ambitions with Colleges in Qs 3 and 4 and with Innovation Centres in Qs 11 and 12.</p>
<p><b>Question 14: if you have direct experience of working with Interface, we would welcome suggestions for evolutions to its operating model to help it develop even more effective support for productive relationships between businesses and our universities and colleges.</b></p>	<p>Interface continues to evolve its operating model in partnership with its Strategic Board to develop even more effective support for productive relationships between businesses and our universities and colleges.</p> <p>At the heart of Interface is an absolute focus on the customer be it a business, a university or a college. Through the Interface Customer Service Journey (CSJ), a structured and staged process to monitor feedback and gather impacts from businesses, 100% of companies reported they were either extremely satisfied or satisfied with the level of support received from Interface. Since 2020, an annual survey has been instigated with university partners and has also delivered a 100% satisfaction rate.</p> <p>A significant way Interface can add even greater value to universities and colleges is through wider adoption of the business engagement approach. The team has a portfolio of businesses across Scotland and keeps in touch regularly with companies, pushing out notifications and opportunities of academic/funding opportunities and proactively following up. In recent years, repeat business engagement with Interface accounts for 35% of industry led requests which benefits the Universities</p>

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and Colleges as many have reported that they do not have the systems/capacity to retain companies as clients so readily. Feedback from Universities gathered throughout AY2020/21 via surveys, online meetings and other reports has reinforced the success of the enhanced engagement approach. Principal themes emerging from this assorted intelligence show a key component of the role for Interface based around educating, facilitating and influencing, confirming its central role as 'infrastructure'.

Additionally, Interface's role is not only to scope out and translate project requirements on behalf of a company, but to act as a sense-checker for the university or college ahead of any introduction. The team has either met or spoken with the company and have a 'feel' for where they are currently and what they want to achieve both short and longer term. Interface has a responsibility to their university and college partners to forward on potential collaborations that are merit worthy for academics or student groups and where the company has a keen intention to take the project forward. Interface's intelligence about companies and regions could be used more productively by academic partners e.g. when they consider submitting Expressions of Interest for projects or in supporting sustained relationships.

The Scottish Government's Find Business Support (FBS) website, developed as a more streamlined, effective, and easy-to-navigate system of support to help businesses across Scotland achieve their growth ambitions, is a useful repository of the organisations that provide support with a helpful keyword search function. Currently it leads only a limited number of businesses to Interface (52 in AY2020-2021 with 39 not suitable for Interface brokerage and referred elsewhere), and to date 5 collaborative projects have resulted between companies and academic partners. Whilst comprehensive, the website can be daunting for many business owners who do not know where to start. It does not replace the ability to communicate with a suitable entry point that ensures effective enquiry handling/signposting.

Many enhancements have been made within our CRM database (Salesforce) to ensure that all necessary data can be captured and streamlined. This includes enhancements to reduce the burden of administration along with more streamlined data collection.



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However, we believe there is much more than could be achieved collectively through digital approaches particularly around:

- Greater co-operation and commitment to seamless referrals between business support organisations so that there is no duplication of effort and no wrong door for businesses;
- A joined -up approach across business support organisations to inspire companies across all sectors on how digital transformation can bring benefits; and
- Further digital streamlining with universities and ultimately colleges to reduce the burden of administration.

### **University Engagement**

In terms of the importance of building stronger relationships with Universities and Colleges and demonstrating the value of Interface, an evolution of the strategy of enhanced engagement that was developed during the COVID-19 pandemic is proposed with a programme of enhanced communication focused on: improving relationships with 'less engaged' Universities, deepening the understanding of individual Universities and Colleges priorities with respect to engaging with end users (Industry etc.) and demonstrating the value of Interface through sharing of insights and intelligence.

In summary:

- Interface has clear and established systems in place and the enquiry process and associated paperwork largely work well for our academic partners;
- The overwhelming consensus is that our engagement activities add value to universities and should continue;
- Universities and colleges see Interface as having a role to play in educating and influencing academics to participate in knowledge exchange, thereby widening the pool of engaged academics;

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- Interface can act as a bridge for academia not just to industry but to the wider innovation ecosystem bringing new opportunities they would not otherwise receive; and
- Universities value the intelligence and insights Interface shares and look to their engagement with us as a benchmark of performance.

### Example opportunities for evolution and further development

- Continued sharing of best practice and engaging practitioners, early-stage career researchers and academics. We have adopted internal digital and data processes to manage the academic webinar series and expand the number of engaged practitioners, early-stage career researchers and academics known to Interface. This has led to webinars with speakers from organisations such as the Scotch Whisky Association and Scottish Development International giving insight and discussing where there are opportunities for academia to support and actively engage.
- Leveraging in additional funding to develop and deliver Challenge Funds to support business to academic engagement; two recent examples include partnerships with the Scotland Food and Drink Partnership Board to set up and deliver a Net Zero Challenge Fund and with Scottish Government to deliver an Inward Investment Catalyst Fund £60,000 awarded to business-academic inward investment | [Interface Knowledge Connection \(interface-online.org.uk\)](http://Interface Knowledge Connection (interface-online.org.uk))
- Interface would be pleased to facilitate a working group with the colleges and universities to share best practice on monitoring and follow up, and to look at other methods to gain intelligence on how many Innovation Vouchers have led to ongoing relationships. For example, can other national business surveys from public agencies include relevant questions, what is the role of the academic/researcher in providing intelligence, what are the opportunities to deepen the relationship with a business beyond the initial transaction.
- Explore further opportunities to work in partnership opportunities i.e. In partnership with the Scottish Universities Life Sciences Alliance (SULSA) Research Pool, we have developed the

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	<p>‘Forging Futures Programme’ to support and develop a cohort of researchers by enabling them to explore the opportunities available to them in academia and industry and equipping them with the tools to work effectively between the two. SULSA has awarded 27 researchers from across our 11 member universities to participate in this scheme in early 2022.</p> <ul style="list-style-type: none"> <li>- Build on the role of ‘Reverse Interface’ by harnessing Interface’s industry connections when academic teams are seeking industry partners for collaborative funding i.e. UKRI funding bids.</li> <li>- Utilising Interfaces Industry connections to identify commercial champions/mentors i.e. for spin out when applying for Scottish Enterprise High-Growth Spin-out Programme.</li> <li>-</li> </ul>
<p><b>Question 15: we would welcome general views, based on direct experience of the Innovation Voucher scheme, on how it could evolve and better support our system for KE&amp;I.</b></p>	<p>Innovation Vouchers are a key enabler of knowledge exchange and engagement between Universities, Colleges and SMEs in Scotland to build a culture of trust and foster long term partnership. The initial feasibility study underpinned by Innovation Voucher grants is a starting point for longer term industry-academic engagement. Early-stage partnership working can lead to larger projects such as KTPs, thereby leveraging funding from a range of sources.</p> <p>IVs are an essential first step in building new partnerships for example, Sustainable Thinking Scotland Community Interest Company (STS CIC) who worked collaboratively with both the University of the Highlands &amp; Islands (UHI) and the University of Strathclyde to test biochar production from wood waste and investigate its potential use in nutrient removal. The Innovation Voucher unlocked additional funding, including Scottish Enterprise’s Unlocking Ambition programme, that will be used to support follow-on R&amp;D work with the two universities.</p> <p>Innovation Vouchers also enable the mobilisation of early-stage career researchers to partner with industry building their confidence to secure funding and see the application of their research by a range of end users.</p> <p>The customer relationship management (CRM) system in place by Interface (Salesforce) can be extended to selected users in a secure and restricted way to allow academic institutions to digitally</p>

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	<p>complete their Innovation Voucher applications, and ultimately check the status through the approval process and final report submission. The opportunity and plan is to extend this function to incorporate the processes for the brokerage service, including a fully isolated space for businesses to submit and track their proposals and HEI/FE responses.</p> <p>The enhanced Innovation Voucher digital developments which we plan to start testing in Q4 AY2021/22 will help to reduce resource in Universities and Colleges but can also be evolved to reduce burden on resources and streamline the approval pathway and administration of Innovation Vouchers in a secure fashion for the SFC.</p>
<p><b>Question 16: we would welcome views on widening the scope of Innovation Vouchers to encompass wider KE activity but retaining the key objective of using them as a means to promote first time collaborations and encourage longer-term relationships.</b></p>	<p>Feedback from many institutions has been that the upper value of £5k for an Innovation Voucher is now insufficient for the academic time required, having been set 14 years ago when the fund was first made available. It is recommended that the Innovation Voucher value is increased to ensure good uptake across the university sector. Universities Scotland Research and Commercialisation Directors Group (RCDG) collated a response from across all Universities providing recommendations to widen the scope of Innovation Vouchers to encompass wider KE activity but retaining the key objective of using them as a means to promote first time collaborations and encourage longer-term relationships. The series of recommendations included increasing the budget and value of the standard Innovation Voucher along with increasing the flexibility with respect to eligibility of (i) the partnership being a first-time engagement, (ii) engagement with social enterprises, culture and creative companies to enable knowledge exchange across all sectors. There is unanimous agreement across all Universities Scotland RCDG members that the current standardised, centrally administered scheme, rather than one where Institutions manage their own from UIF funding, is optimal, reduces complexity, supports businesses consistently and is inclusive for all. The central administration and strong brand align with the desire for a simplified landscape for SMEs.</p> <p>There are significant opportunities to work with current (SFC and SE) and other potential funders to augment the overall funding envelope given the outcomes and impacts are enhancing key Scottish Government priorities of economic recovery, place-based missions, low carbon, health and wellbeing and inclusive growth. In the last 4 months, Interface has leveraged funding from Scottish Government</p>

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	<p>for an Inward Investment Catalyst fund and from Scotland Food and Drink Partnership for a Food and Drink Net Zero fund. Modelled closely on the Innovation Voucher programme, both programmes were oversubscribed with the £10,000 grant per project welcomed by the Universities and Colleges as an optimum grant for meaningful engagement.</p>
<p><b>Question 17: how could colleges and universities help SFC understand, or monitor longitudinally, how many Innovation Vouchers have led to ongoing relationships? Are there cross sectoral digital solutions to this which can help us better understand the outcome we hope to achieve?</b></p>	<p>The Interface customer service journey has indicated that although companies are willing to share information on outcomes, impacts and longer-term relationships, it takes considerable persistence and resources to reach a ~30% response rate. Digital solutions to undertake the survey are in place, the collation of the results has been considerably streamlined for annual reporting but the harder to reach companies require people intervention (i.e. phone calls).</p> <p>In November 2021 as part of our academic webinar series we asked registrants where responsibility lies to monitor and escalate relationships beyond the initial collaboration; whether the responsibility lay with the academic, the business, research and enterprise staff or organisations such as Innovation Centres or Interface. We received 136 responses from across Scottish academia with a 60-40 split between academic and research and enterprise staff. No clear consensus came through with a split across all responses from both groupings. What is clear is there is a knowledge gap with no shared understanding of who should take the lead in monitoring and escalating to a longer-term partnership. This is a missed opportunity to have a clear process. Opportunities for deeper engagement that take initial collaborations from small-scale transactional projects to meaningful strategic partnerships are being missed and Interface (subject to expanded resources) could take a key role to enable more strategic collaborations.</p> <p>Greater appreciation, advocacy and understanding of the unique role of Interface to rapidly identify expertise to solve business led technical challenges enabling faster adoption of R&amp;D and skills by businesses will in turn lead to more companies engaging and greater impacts realised from deeper engagement.</p>
<p><b>Question 18: From experience of mission-led approaches elsewhere, how would you advise SFC to use its resources and investments to facilitate such</b></p>	<p>Interface has a long track record of delivering small scale challenge calls to enable groups of companies and academics work together across multiple disciplines.</p>

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<p><b>activity in support of Scottish Government objectives for economic transformation?</b></p>	<p>In October 2021, Scotland Food &amp; Drink in partnership with Interface piloted a challenge call to stimulate food and drink companies to partner with academics to enable innovation with respect to net zero. The call was significantly oversubscribed and in its pilot form provides SFC with good practices on utilising investment to support Scottish Government objectives for economic transformation and net zero and in particular to mobilise SMEs.</p> <p>The SFC should also consider the learnings from industry engagement with previous Challenge calls e.g. the £1m Cancer Innovation Challenge, participation in the industrial strategy challenge calls and the learnings from the College led innovation challenges.</p> <p>The design of mission led approaches should encourage SMEs to participate, allow for rapid delivery of outcomes and impacts and maintain light touch with respect to administration and approval. In particular the SFC should look at sectors that are key to Scotland’s economic transformation but may struggle to respond to other challenge led calls e.g. tourism and hospitality, agriculture, food and drink, arts and the creative industries. For all of these sectors that are suffering acutely from labour shortages, challenging supply chains and rocketing energy costs, opportunities to enhance productivity, automation and net zero practices would be transformational for the economy.</p>
<p><b>Question 19: We would welcome views on the breadth of the role a KE&amp;I Advisory Board could play and what stakeholder membership would give us the most effective support for SFC’s role in the ecosystem.</b></p>	<p>It is essential that the membership of the KE&amp;I Advisory Board represents industry along with Universities, Colleges and funders. Given the many committees and groups already in place that are focused on innovation etc, it is important that the breath is focused on the optimisation of the ecosystem and return on investment for SFC.</p> <p>The Interface Strategic Board provides an example of the wide and relevant stakeholder membership required of the KE&amp;I Advisory Board with a third of the members drawn from industry, a third from colleges and universities (on a rotational basis) and a third from enterprise and skills agencies including the three Enterprise agencies and SFC. The Interface Strategic Board have outlined their willingness and ambition to hold an annual meeting (in August at start of new academic year) as the proposed KE&amp;I Advisory Board. Given the overlap of stakeholder membership this would avoid duplication of effort and ensure that the focus once a year is on the wider ecosystem.</p>

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**We may publish a summary of the consultation responses and, in some cases, the responses themselves. Published responses may be attributed to an organisation where this information has been provided but will not contain personal data. When providing a response in an individual capacity, published responses will be anonymised. Please confirm whether or not you agree to your response being included in any potential publication.**

Publish information and excerpts from this survey response INCLUDING the organisation name.