

SCOTTISH LIFESCIENCES ASSOCIATION (SLA) RESPONSE TO SFC CONSULTATION ON INNOVATION CENTRES

The SLA exists to represent and promote the interests of the life sciences sector in Scotland. Scottish Government / SFC policies aimed at encouraging the sector's competitiveness by enabling universities to help drive economic growth, and through better access to university research by businesses are issues of very great interest to our member companies, and so we are glad to have this opportunity to state our views on the important questions raised by this SFC consultation exercise.

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

The vision to use universities to drive economic growth in collaboration with businesses is a very long standing ambition. Ever since the then Scottish Office's commercialisation enquiry in the 1990's, much Government funding and effort has been put into this vision in Scotland. The Intermediate Technology Institute (ITI) attracted £450m, the Proof of Concept programme £30m and the Translational Medicine Research Centre £17.6. In our view, there has been a poor return on this investment, with all 3 programmes having been run down (the ITI closed 3 years ahead of schedule).

Despite this, we do believe that the ambition to harness the strength of Scotland's academic community to assist businesses to grow into large scale employers is worthy. As an industry group, we were interested in the concept of the innovation centre programme and indeed attended the SFC event to launch the idea. To succeed, however, it is necessary that the structures created to do this must be business, not academic, led. While the original aim of the Innovation Centres was to learn from earlier experience and give companies a significant role in their work, we are not convinced that the Centres have "broken the mould", and are in our view too academically orientated in organisation and operation.

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

Areas you might like to consider: How well are the Innovation Centres working across the whole of Scotland? How appropriately are the Innovation Centres collaborating with relevant stakeholders? Are the Innovation Centres offering collaborative knowledge exchange and research activities to help solve industry defined problems and co-create innovation opportunities for growth? How are the Innovation Centres helping to create a culture change towards greater and more effective academia/business collaboration? Are there examples of good practice across the programme?

The SLA was encouraged by some universities to support applications for setting up Innovation Centres as they had to "have the backing of industry" before they would be agreed by SFC. What we have witnessed is a typically academic engagement model where the Centres happily engaged with businesses to get initial support, then once the SFC funding had been awarded, business engagement lessened in priority and academic priorities were used to decide what to do with the funds. This is not uncommon even with academic grants, and is one reason that there have been recent changes at the European Union and Research Council level (e.g. the EU's decision to set up the single SME model for Horizon 2020 funding with no academic involvement in the projects).

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

Areas you might like to consider: Is industry appropriately engaged in the relevant Innovation Centres? How are (or should) Innovation Centres respond to the skills needs of the industry sectors represented? Are the industry-led projects 'stimulating and challenging' the Scottish research base in the most effective way? Are there examples of good practice across the programme?

The primary life sciences interest is in the Innovation Centres for Digital Health, CENSIS, IBiIC, Datalab and SMS-IC. The SLA has 13 company-driven Special Interest Groups, several of them mapping onto the areas covered by these ICs. The industry led projects are academically interesting, otherwise they would not be approved, but there has been little additional support for the projects from SIB, while commercialisation support either public or private has not been attracted. The subcontract model of the SMS-IC has helped companies secure some business where they had not been securing business before, but follow-on contracts have not been forthcoming. SMS-IC has received additional grant funding based on (in our view) untested 5 year deliverables. A major part of the lifesciences industry needs are to develop quality and regulatory skills, and these are not being met by ICs or universities.

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

Areas you might like to consider: Do the Innovation Centres complement and exploit existing initiatives (e.g. Interface, the Knowledge Transfer Partnership programme et al) in the academia/business collaboration space? Are there specific Innovation Centre activities, which have helped to simplify routes to innovation for business? Are there examples of good practice across the programme?

In our view, the engagement model has not improved. Any model that sees industry having to pay its way whilst academics are financed must be fully controlled by industry. The traditional model where the SFC controls the funds after award is not seen as effective. If a company wishes to sub-contract work then there will be controls and penalties to ensure that the work is done to the requisite quality on time. We have had considerable feedback from SLA members on project delays, bottlenecks, layers of bureaucracy and requests for ownership of IP. Project management has also been seen as an issue with the ICs needing to provide the top level management of the projects. None of our member companies have identified a successful IC project model.

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

Areas you might like to consider: Are governance arrangements suitable for the programme as a whole and/or each Innovation Centre? How much clarity exists around how the performance of Innovation Centres will be assessed against the objectives of the programme? Is there an appropriate balance between an Innovation Centre's freedom to operate and the accountability necessary for a public sector initiative? Are there examples of good practice across the programme?

At a recent Digital Health SIG, we asked the senior management of the DHI for metrics on performance which the Institute has been unable to provide. To a significant extent, the ICs have become large organisations which have not evidenced the agility required from industry. The availability of SFC funding has enabled the ICs to grow their structures with no input from

industry. We have not seen, as a result of IC operations, any significant increase in business related R&D whilst maintaining or improving HE R&D. The goal of the ICs was to deliver economic growth in Scotland, which we have not seen any evidence of, and their sustainability will, we believe, require long term government funding.

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

If the ICs disappeared, they would not be missed by the lifesciences business community. The SLA has good links with academia and if a member company needs to make a connection with a university to take forward a project, we facilitate this, and in some cases manage the relations to ensure that outcomes are delivered on time. The key to success in this is to ensure that the business funder has control over the academics working on the project. However, this conflicts with the notion of academic freedom and is why member companies often engage in research with other bodies better aligned to their commercial goals. If another IC programme is developed, of relevance to the lifesciences sector, we would like to see life sciences businesses control this, with academics being welcome to assist. As an industry body, we are very keen to engage with Government on how to achieve actual economic growth through better engagement with academia.