INNOVATION ADVISORY BOARD
6 July 2017

Minutes of the Sixth Meeting

Medical Research Council, One Kemble Street, London

Present: Richard Worswick – Chair
Debbie Buckley Golder – InnovateUK (by teleconf)
Phil Kaziewicz – GI Partners
Mike Kelly – DataCentred
Massimo Noro – Unilever
Kenji Takeda – Microsoft
Jennifer Thompson – Teesside University
Paul Beasley – Siemens plc
Frank Salzgeber – European Space Agency (by teleconf)

Giovanni Anelli – CERN (guest)
Martin Hendry – SEAB (item 6)

Apologies: Tim Bestwick – STFC Executive Director, Business and Innovation

STFC: Sharon Cosgrove – Executive Director, Strategy Planning and Communications
Janet Seed – Associate Director, Strategy, Planning and Communications
Adrian Cole – Strategy Manager
Sarah Billingham – Strategy Manager, Secretary to the IAB
Barbara Ghinelli – Head of Business Development Harwell campus (item 3)
Jason Green – Head of External Innovations (items 4&5)
Charlotte Jamieson – Head of Enabling Themes (item 4)
1. Item 1 - Welcome and Introductions

1.1. The Chair welcomed everyone to the meeting, and all those present introduced themselves. The Chair welcomed Dr Anelli, head of Knowledge Transfer at CERN, who was attending to observe IAB and to present to the Board.

1.2. The Chair thanked members for confirming their extended appointments to the Board.

2. Minutes and Actions

2.1. The IAB approved the minutes and actions from the March 2017 meeting.

3. Campuses (IAB 17.02.01)

3.1. Barbara Ghinelli presented an update on the STFC campus developments, in particular the three clusters at Harwell in Space, Healthcare and Energy. A recent Proof of Concept call for collaborative proposals in the Healthcare sector, requiring matching funding from partners, had generated a good response from a wide range of organisations with 12 proposals being funded.

3.2. The Board noted that the campuses should not be considered as just the specific geographic locations; for example, Harwell should be considered as encompassing Oxford, and Daresbury should be considered as encompassing Manchester. In the Science and Innovation Audit for Oxford, transport came through as an area that offers opportunities for STFC to leverage. The audits are useful as they highlight the wider set of strengths in the region. The factors that lead to a successful campus were discussed by the Board, with the core capabilities of facilities, people and skills, and investment all being important. It was also noted that data capabilities are becoming increasingly key for many companies and the planned Ada Lovelace e-infrastructure developments will significantly enhance the campuses.

3.3. It was noted that other locations have significant science and technology capabilities and there may be opportunities for STFC to use the experience it has gained from developing its own campuses to contribute to the development of these other locations.

3.4. A critical mass was considered to be important for a campus to be successful, built around a strong nucleus of world class research which could be a university or a large national institute, with support for legal issues and ‘social’ requirements such as accommodation etc.
3.5. The Board was excited by the opportunities that the campus and cluster developments are bringing and noted that the investment by STFC in these so far had been modest.

3.6. Sharon Cosgrove introduced the current activity to refresh the Harwell Campus Strategy, being undertaken by the Campus Joint Venture partners, including STFC.

3.7. The consultation document was reviewed by the Board who provided detailed comments.

3.8. The Board was thanked for its input to the consultation.

4. CERN Industrial engagement

4.1. Dr Giovanni Anelli gave the Board a presentation on the knowledge transfer activities at CERN, noting that these are driven by the science programme requirements. Examples were given of a range of innovative business developments that have been achieved, drawing on CERN’s technical activities in its science programmes.

4.2. CERN has to demonstrate fairness in the allocation of technical development contracts through its procurement systems to all Member States, for example by means of nonexclusive licensing arrangements.

4.3. The Board discussed the issues that can deter companies from tendering for technical development contracts, including:

- Technical risk
- Loss of control of intellectual property.

4.4. Activities such as the recent Industry day at Daresbury were commended by the Board as good way to improve engagement with industry. Capturing the benefits that had been realised by companies carrying out research contracts and using approaches such as stage gates were recommended as ways to helping overcome industry’s perceptions of the risks.

4.5. STFC have established Business incubation centres (BICs) at the Harwell Campus and Sci-Tech Daresbury. These BICs can make a vital contribution in helping businesses negotiate the many challenges and hurdles as they take their critical first steps towards market entry. STFC has a track record of setting up many spinouts and have established a spectrum of incubation initiatives at Harwell Campus and Sci-Tech Daresbury, as prime locations for inventive start-ups, SMEs and early-stage subsidiaries.
4.6. The opportunity to use campus approaches to increase industry participation in CERN’s programme was discussed by the Board but it was recognised that this could face concerns over disproportionate benefits to local companies.

4.7. The Board thanked Dr Anelli for his presentation.

5. **Industrial Strategy Challenge Fund**

5.1. The Board received a presentation on the Industrial Strategy Challenge Fund (ISCF) from Jason Green.

5.2. The ISCF was announced in the 2016 Autumn Statement and forms part of the National Productivity Investment Fund which has a budget of £4.7Bn over four years, with a profile that increases to £2Bn/yr in 2020/21.

5.3. ISCF is a cross-disciplinary fund to support collaborations between industry and the UK’s science base in tackling identified R&D focussed challenges across emerging and incumbent sectors that, if met, could result in large economic returns for the UK.

5.4. Industry involvement in ISCF challenges is critical, because solving the challenges is all about opening up emerging or existing markets where the UK could become a world-leader. Challenges need to be shaped by the needs of business and researchers and must be delivered with co-investment from industry.

5.5. The challenges will be led within UKRI by Challenge Directors – experts in their field who will have significant decision making power over how a challenge is delivered, and the portfolio of projects supported by the challenge funding.

5.6. Funding allocated in the first wave was:

- £197M for medicines manufacturing technologies
- £93M for robots for a safer world
- £246M for batteries for clean and flexible energy storage
- £26M for manufacturing and materials of the future
- £99M for satellites and space technology.

5.7. The Board was pleased to learn that STFC had been successful in securing funds from the first wave for the National Satellite Test facility and for the Analysis for Innovators scheme.
5.8. The second funding wave is currently underway, with business case submissions made at the end of May. STFC has involvement in 16 bids. A short list will be subject to detailed review in September.

5.9. The Board noted that the timescales for responding to the first two Waves under ISCF had been very tight.

6. Skills balance of Programme exercise

6.1. The Board received a presentation from Martin Hendry (Glasgow University and SEAB) on the current activity to carry out a Balance of Programmes review of STFC’s skills activities.

6.2. The Board confirmed the importance of the skills agenda and gave Martin Hendry details of their experiences with a range of training programmes. Flexibility to be able to cover a wider range of different business environments was important.

6.3. Many business sectors now valued internships, but these needed to be at least 3 months in duration and potentially up to one year in order to be effective. For large businesses, grouping interns into cadres had proved to be effective, creating a critical mass. Different career paths required different approaches to training. It was also noted that the cost of training can be a significant issue for small businesses.

6.4. Communication skills are important, particularly being able to effectively engage with small groups of influential investors and business leaders.

6.5. It was noted that specific training for entrepreneurship was not easy to implement and if training was too prescribed in its approach then it could even risk stifling entrepreneurship.

7. Corporate Strategy Update

7.1. Sharon Cosgrove informed the Board that the STFC Corporate Strategy update is being finalised. It was now likely that this would be used to inform a wider UKRI strategy development activity.

8. UKRI

8.1. Janet Seed gave the Board an update on the implementation activities for UKRI.

8.2. The Higher Education and Research Bill received Royal Assent on 27 April so it is now an Act. Important amendments made include:
• Increase the upper limit for Council members from 9 to 12, providing flexibility to cover breadth of activity of the Councils

• Formal establishment of the Executive Committee – bringing together the Executive Chairs with the UKRI CEO and CFO as a critical forum

• Commitment to the Haldane Principle in legislation.

• Commitment to separate budget allocations to each Council

• Strengthened provision for Innovate UK to continue to focus on business-led innovation UKRI

• Commitment to consult if government wants to change names or remit of the Research Councils - changes would then need to be ratified by both Houses of Parliament.

8.3. Communications activity is now ramping up.

9. AOB

9.1. There were no items of other business. The date of the next Board meeting was confirmed as the 24th November 2017.