**University of Sussex**

**BIS Consultation on Innovate UK’s Integration with Research UK**

**February 2016**

The following are the responses made by the University of Sussex to the BIS consultation on the integration of Innovate UK with Research UK.

**What do you see as the main benefits of the integration of Innovate UK with Research UK and how will integration provide opportunities not currently available, or taken, to increase innovation?**

We support the general recommendation of the Nurse Review to bring together the current research, knowledge exchange and innovation responsibilities that reside in HEFCE, the Research Councils, and Innovate UK. The benefits of doing so would be to encourage conceptual integration, enhance consideration of the whole environment, and reduce alternative processes and reporting requirements.

We believe that this should help to enable a joined-up approach, and harmonisation of processes, information flows etc. consistent with the recommendations of the Dowling Review, which encourages better co-ordination of government strategy on innovation. In this new location, there needs to be adequate attention given to skills development and the movement of people, as well as to innovation through technology development, translation and diffusion. Equally, ensuring engagement through large and established firms, and between customers and suppliers, is as important as through small and new ones in achieving productivity improvement.

Combining the information held by the respective bodies may lead to opportunities to create relevant partnerships between businesses and universities. There are often criticisms about the ability of business to find the right university partner; there can equally be challenges for universities and their researchers to find suitable business contact points. So any support of this process would be of benefit. An example might be to create links between those businesses who have engaged with Innovate UK but who were not successful, with relevant individuals in the HE sector. Equally, using Pathways to Impact descriptions to identify potential beneficiaries and hence partners based on Innovate UK’s understanding of the business base. One hopes that information from the science and innovation audits might be beneficially integrated into this process.

Whilst there are a number of active and effective bilateral agreements between Research Councils and Government Departments, it makes sense to have co-ordination across all elements, with which Research UK would help.

**What are the main risks for both business and research of the integration of Innovate UK into Research UK?**

An integration of Innovate UK raises concerns about potential budget ‘leakage’ between the strands of funding, in either direction. Equally, there are risks in relation to skewing of missions, whether that is the Research Councils becoming too near-market, or Innovate UK becoming too upstream. Each part of the funding spectrum needs appropriate attention. The relationship ought to enable complementarity and communication, rather than diversion of effort, focus and resource.

We believe that the UK Government should allocate an hypothecated budget, via BIS, specifically to each of the four strands of: institutional research and knowledge exchange block grants (i.e. QR and HEIF); research projects and initiatives; innovation; and research and innovation capital. They would need to be managed in concert by Research UK, but each within their distinct envelopes.

Research UK’s potential for better co-ordination may be offset by the possibility of a single dominant model of ‘excellence’ or ‘innovation’, which would thus reduce the potential effect. Similarly, an assumption of a linear model would be detrimental to both innovation and to the research base. Innovation occurs through multiple routes and in multiple forms, only one of which is the commercialisation of specific research results. Development of a workforce that is able at all levels to innovate, and with the capacity to absorb innovation, is central to improvements in productivity. Innovation can and should occur in public sector environments as well as business ones: innovation is more than simply technology development and deployment.

Diversity in research (topics and approaches), structures, and timescales all contribute to creating flexible capacity and responsive capability, which are needed to address new and complex challenges. Structural diversity is associated with innovative and impactful research outcomes, and hence needs to be actively fostered.

**Are there any specific issues Government should consider when looking at the practical arrangements of integrating Innovate UK into Research UK?**

We believe that there should be a presumption of harmonised and common ways of working (including relevant terminology and definitions), with exceptions or variations where justified, rather than the other way round. Echoing Dowling, we also believe that burden should be proportionate to the size of funding. Whilst seeking harmonisation, we also believe that there needs to be sufficient variation in the available mechanisms to allow for flexible responses.

The Dowling Review noted the value of mechanisms such as Knowledge Transfer Partnerships, CASE studentships, HEIF and Impact Acceleration Accounts, which provide flexible and responsive means of supporting collaborative arrangements. The potential interactions between these mechanisms should be considered.

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