

Universities Scotland further submission of evidence to Economy, Jobs and Fair Work Committee inquiry on Business Support

Universities Scotland welcomes the opportunity to respond to the Committee's inquiry on Business Support. As the member organisation for Scotland's 19 higher education institutions we are aware that some of our members are responding to the inquiry individually. We have answered the questions to the inquiry that we feel best fits with our knowledge and expertise.

Universities make a significant contribution to Scotland's business birth rate and to business support. Last year, Scottish universities worked with over 21,000 Scottish organisations. Universities are embedding entrepreneurship in the curriculum and encouraging innovation amongst students and staff. In 2015 we set out an ambition to grow student start-ups by 25% over three years in *Making it Happen*¹. We achieved a growth of 54% to 666 start-ups and are ambitious to keep building on this. Meanwhile, Scotland is the most successful part of the UK for formal spin-outs².

More broadly, the sector is at the heart of Scotland's entrepreneurial ambition. Scotland's trade body for digital technologies credits universities as playing a 'key role' in 'developing and nurturing talent' in a reported 77% increase in the number of tech start-ups in Scotland³. Meanwhile the sector is a major partner in the creation and operation of incubators and accelerators across the country with Scotland having the highest availability of these facilities in the UK per 1,000 new businesses⁴.

Business Gateway

3. Has the quality of service has changed over the years?

Our members have contrasting views on this. Where Business Gateway is embedded into the university, such as Queen Margaret University, there is considerable appreciation for the quality of service being delivered, such as the entrepreneurial advice and support and enterprise training. This has led to numerous referrals for research and development due to the co-location in the University's Business Innovation Zone. Co-location allows for research and innovation, when appropriate, to be part of initial discussions at the point of inception and contact with Business Gateway rather than later on.

However, other members have had little or no interaction with Business Gateway. Partially, this might be because Business Gateway are making referrals in the first instance to

¹ <https://www.universities-scotland.ac.uk/publications/making-it-happen/>

² Formal, active spin-outs source HEBCI 2016-17

³ <https://www.scotlandis.com/news/2018/april/tech-startup-numbers-in-scotland-rise-by-77/>

⁴ BEIS research paper number 7, April 2017



Interface rather than individual institutions. We believe there is scope to enhance referrals from all enterprise agencies within the system for innovation support.

Other sources of advice and support

7. What are the alternative sources of advice, funding and support available to Scotland's businesses at a local level?

Each year, Scottish universities work with over 21,000 Scottish organisations on formal consultancy, research and development and bespoke CPD.

All 19 higher education institutions in Scotland have Knowledge Exchange Managers and teams who are committed to enhancing the links between Scotland's businesses and the world-class higher education sector.

Since 2005, Interface has been valuable in connecting businesses and organisations of all sizes to Scotland's universities. Interface matches businesses with academics and kit that hopefully enhance the development of the business making an approach. We believe that Interface is an essential organisation in narrowing the perceived gap between business and academia.

Furthermore, across Scotland there are 15 business and management schools who work to support Scottish firms, contributing to local, regional and national growth plans. All of the business schools work to support Scottish businesses by making their research and teaching expertise available in ways that are tailored to businesses. Four of our business schools have Small Business Charter Awards which are a mark of excellence to recognise their expertise in supporting small business, student entrepreneurship and engagement in the local community. Scotland's business schools offer a range of business-focused short courses known as executive education. This short training can offer a focus on one particular aspect, such as leadership or export strategies, or a challenge in the business environment. Executive education can be delivered in as little as a day and is usually aimed at those already working or leading their own business. Sometimes the education is offered free of charge as part of the university's relationship with companies in their region. Executive education can, and often is, customized to meet the needs of different companies.

In addition, higher education institutions have been integral to the City Deals in Scotland. An example, the recently signed Edinburgh and South East Scotland City Regional Deal has a specific role for universities to upskill business as part of the data drive innovation strand⁵ as well as a new Food and Drink Innovation Campus to help that sector diversify but also provide a skills "escalator" to help those people excluded from the labour market into entry level employment as well as upskilling those already in the industry⁶.

⁵ <https://www.ed.ac.uk/local/city-region-deal/data-driven-innovation>

⁶ [City Region Deal: Accelerating Growth](#), August 2018



8. Where are there gaps in business support at a local level? What could be done to fill any gaps?

We believe that there is significant scope to grow the breadth of companies innovating, and the scale of that innovation, through enhanced partnerships with universities. That will need the agencies involved in the innovation/business support arena to build on work to enhance referrals, ensuring that businesses are directed effectively to the best support option, even if that sits outwith their own remit and operations. Greater alignment between the skills and enterprise bodies through the creation of the Strategic Board creates far more opportunities for this cross-referral, as all organisations will increasingly be working to shared goals and shared metrics.

Joint work to secure significant investment in innovation projects under the UK Industrial Strategy. With ambitious and co-ordinated action we believe that it is reasonable to aim to secure 15% of the total funds (as the HE sectors does for the research grants). This would mean that Scotland would see by 2021 an additional £350m of business-led funded projects.

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