



SCOTTISH INNOVATIVE ACTIONS PROGRAMME

**Minutes of the Fourth Innovative Actions Steering Group meeting
held on Thursday 23 June 2005 at 1345hrs
in the Council Room, SHEFC,
97 Haymarket Terrace, Edinburgh.**

Present

Graeme Dickson (Chair)	The Scottish Executive
David Souter	The Scottish Executive
David Robson (for Janet Brown)	Scottish Enterprise
Calum Davidson	Highlands & Islands Enterprise
David Gani	Scottish Funding Council
Laurie Russell	Strathclyde European Partnership Ltd
Maggie Symonds	Calico UK
Gavin Don	EQUITAS

Apologies

Janet Brown	Scottish Enterprise
Iain McMillan	CBI Scotland
Dennis Malone	Highlands & Islands Partnership Programme

In Attendance

Diane Greenlees	Strathclyde European Partnership Ltd
Derek Gallaher	Strathclyde European Partnership Ltd
Moragh Hastie	Strathclyde European Partnership Ltd

1 Welcome & Introduction

The Chair welcomed everyone to the fourth meeting of the Group.

2 Apologies for Absence

Apologies were received from Janet Brown, Iain McMillan and Dennis Malone.

3 Minutes of Last Meeting

The minutes of the previous meeting were agreed as an accurate record of the proceedings.

4 Matters Arising

- 4.1 It was noted that the Business Environment Mapping project would be making a study visit to Innovation Norway in response to a request at the last Steering Group meeting concerning networking with Norway.

- 4.2 It was reported that there was a more detailed financial paper circulated with the documents for the meeting and the Steering Group was requested to advise the Programme Management Team if additional information would be necessary.
- 4.3 It was noted that the issue of the Programme not reaching the 5% private sector funding target had been checked with the European Commission and it was clarified that the ERDF funding would not require to be reduced accordingly. It could be made up with public sector funding.

5 Activity Progress Report

- 5.1 A copy of the Activity Progress Report had been previously circulated to the Group for information. Brief updates on the projects were given as follows:
- Targeting Innovation - Structured Innovation Thinking for Scottish SMEs
The project has not yet started. The project sponsors will undertake a study visit to the Noord Brabant region of Holland in late June and are confident that the project will get underway during July.
 - Scottish Enterprise Projects
The Scottish Enterprise projects approved in the first round (Business Environment Mapping & Business Model Innovation) were structured into two phases. In both cases the first phases of the projects produced sufficient evidence to proceed and the second phases are either about to start or are already underway.
 - Action Line 4 Projects
The projects are now up and running and progress is being monitored by a project board consisting of at least one of the main funding bodies and a private sector partner. This process is working well.
 - A Single Gateway for Research & Knowledge Transfer
This project has been renamed the 'Scottish Higher Education Portal'. A project director has now been appointed and will take up her post in early August.
 - Easydeals
This University of Glasgow project has been renamed the 'Innovative Licences & Technology' project. It has been launched to the press and will shortly launch its interactive website.
- 5.2 A number of networking events across UK and Europe have been attended by the Programme Management Team. Scotland hosted a UK and Ireland event on 15-16 June 2005 that had been well supported. The main theme was to encourage an exchange of experience between the Innovative Actions programmes and to showcase Scottish projects that focus on the SME/university research base interaction. There had been very positive feedback from the delegates who attended.
- 5.3 The Steering Group was asked to consider how best to disseminate the learning from the projects to ensure that it would be incorporated into future programmes, initiatives and strategies. It was agreed that this issue would be discussed further in the Future Activity Plan.
- 5.4 It was reported that a monitoring schedule had been drawn up and that monitoring of the projects is now ongoing. To date, three projects had been visited and a fourth is due to be visited in mid July. All projects funded by the Programme will be monitored.
- 5.5 The Programme Management Team reported that an inter-regional programme, Inno-Net, with similar aims to the Innovative Actions Programme would shortly be putting out a call for proposals. A consortium would require to be established with up to three regions including one from the new member states. The programmes would start in July 2006 and run for 36 months. Each project will be worth approximately €3 million.

6 Financial Progress Report

- 6.1 A copy of the Financial Progress Report had been previously circulated to the Group. An overview of the impact on the financial position of the Programme resulting from consideration of the project applications at the meeting was presented. If all projects recommended for approval were approved at the meeting, the ERDF budget would be 96% committed. The budget requires to be fully committed by end of September 2005 to allow projects a reasonable timescale to be implemented.
- 6.2 The proposed approach to dealing with the remaining funds arising from decommitment, underspend and possible exchange rate gains through the Programme was discussed. Two options were proposed. It was suggested there could be a reserve list of short duration projects drawn up during the next round which could be funded by any underspend, decommitment or exchange rate gains through the Programme. Secondly, increased cost applications and extensions to the timescale of approved projects could also be invited.
- 6.3 The level of claims is projected to have exceeded the 40% threshold which will allow the Programme to draw down the next tranche of EU funding by October.

7 Report on Project Applications

- 7.1 The Programme Management Team gave an overview of the various ways that the projects had been stimulated in this application round:
- Projects 1 & 2 – These projects had just missed the deadline for the last round. They had followed the standard procedure and project outlines were considered initially by the Development Groups before full applications were prepared.
 - Project 3 - This project was developed directly as a result of the workshop held at the end of February
 - Projects 4 & 5 – These projects responded to a targeted call for proposals, at the end of April based on the main themes identified at the workshop.
 - Project 6 – The Scottish Chambers of Commerce had not responded to previous calls for proposals, however following a meeting with their recently appointed Chief Executive, the Chamber expressed an interest in being involved in the Programme. This application was submitted late, but it was felt that it should be considered as it has come from the private sector and focuses on manufacturing sectors.
- 7.2 The Programme Manager introduced each of the projects, highlighting any issues raised by the Appraisal Sub Group. The following decisions were taken:
- 1. Development of a Know-how Based Business Intangibles Capturing & Management Tool for SMEs - SIAM**
The project was approved for funding.
 - 2. Growing the Capabilities of Photonics SMEs – Scottish Enterprise**
The project was approved for funding subject to clarification on the following points:
 - Clear focus on and engagement with SMEs
 - Clear focus on increasing licensing and commercialisation activity

- The project operates on a Scottish-wide basis
- The project involves and/or engages with other key players in the photonics sector, such as, St Andrews and Heriot Watt Universities

3. Growth & Innovation Drivers for Businesses – Scottish Enterprise

The project was approved for funding.

4. The Effect of Capital Structures on the Innovative Capability of New Technology Based Firms – Paisley University

The project was not approved for funding. The applicant had withdrawn the application after feedback from Appraisal Sub Group.

5. The Effect of Capital Structures on the Innovative Capability of New Technology Based Firms - Robert Gordon University

The project was deferred. The Steering Group was interested in supporting a project that focussed on the design sector, but felt that this project was not of sufficient scale or scope to make a difference on a national level. It was agreed that the project applicant should be invited to rework and resubmit a larger project focussing on why Scottish SMEs fail to invest in and take advantage of design services.

6. Manufacturing Capability Research – Scottish Chambers of Commerce

The project was approved for funding subject to the receipt of a more detailed financial breakdown.

The Chair summarised the decisions and advised the group that as a result, there would still be approximately £84,000 ERDF available for projects. The group was asked to consider how best to invest the remaining funds. Following a general discussion, it was agreed that the Programme manager would:

- identify projects which could benefit from an extension and be invited to make an increased cost application to the Programme
- identify any likely underspends in existing projects
- identify any short pilot projects which could be submitted to the Programme and which could fit the existing timescale and expenditure period.

This information would be gathered by the end of July and a paper setting out the options would be circulated to the Steering Group for its consideration.

8 Future Activity Plan

8.1 A copy of the Future Activity Plan had been previously circulated. The main issue for discussion in the paper was the Evaluation Process. The Evaluation Sub-Group had met the previous week to discuss the evaluation methodology and agree a timetable for an Invitation to Tender document. The first tender document would be issued to selected consultants during August and the intention was that the contract would be awarded and work started by mid/late September 2005.

8.2 The group briefly discussed the proposal to hold an International Conference towards the end of the Programme, which would be a major vehicle for disseminating the learning gathered from the projects funded by the Programme. Preliminary meetings had been held with Technology Venture Scotland (TVS) to discuss jointly hosting this event. The Steering Group members would need to consider:

- Who the target audience should be
- What messages should be promoted

- How this messages should be communicated

It was agreed that this issue would be on the agenda for discussion at the next Steering Group meeting

- 8.3 An updated Communications Plan was appended to this paper that set out the communications activity proposed for the remaining 18 months of the Programme. It was proposed to engage a PR/Media consultancy to market the work of the programme and to raise awareness through various media. The meeting was advised that Research TV had the facilities to produce short, inexpensive TV and video programmes and it was agreed to explore this option further.

9 Date of the Next Meeting

The date of the next meeting was suggested for Wednesday 5 October 2005 with a proposed venue of the Business Gateway in Perth (time to be confirmed). Steering Group members will be contacted to check diary commitments and propose alternative dates if 5 October does not suit.