RUSSELL GROUP

Russell Group input to the National Innovation Plan call for ideas

1. Summary

- Our leading universities are a crucial part of the nation's knowledge base. The critical mass of excellent research at Russell Group universities generates huge impact, links the UK into global knowledge networks, creates an environment for new ideas to be generated and developed, attracts investment and ensures scientific and technological breakthroughs essential to innovation can be taken forward in the UK. This in turn underpins long-term economic growth and both social and economic wellbeing. It is therefore important that universities should be integral to the formulation of the Government's National Innovation Plan.

- A number of key factors are needed to create the right environment for new ideas to develop and grow into commercial success. These include: sustained long-term public investment in research and innovation; a range of effective public support mechanisms to support university-business collaboration; a risk-based regulatory system; and a tax system which incentivises investment in innovation.

- Whilst we welcome the real-terms protection for research funding in the CSR, public investment in our research base and universities is still far lower than our international competitors. Sustained investment in research through the dual support system is crucial for the UK to maintain its position as a world-leader in excellent research, which can then underpin innovation in the wider economy and society.

- Current public support mechanisms for innovation could be more effective in addressing the barriers to the creation of innovation. There remain significant gaps in the UK's funding pipeline to take a research idea through to a final product or service, and existing support mechanisms could be better targeted to support the UK's leading universities in translating world-class research and knowledge into economic benefit to the UK.

- The UK needs to create the right environment for new ideas to develop and grow into commercial success. Current VAT legislation and guidance is hindering collaboration between universities and businesses, and financial and tax support for early stage ventures should be enhanced.

- The following policy options would help to drive research commercialisation and the diffusion of knowledge into the economy by capitalising on the innovative potential within the UK's leading universities:

Policy options for new initiatives in order of priority:

- **Create a proof of concept fund available across the research spectrum to address the existing funding gap and drive innovation**
- **Introduce a targeted VAT exemption for new business-university capital investments to remove the current disincentive to collaboration**
- **Boost the Higher Education Innovation Fund (HEIF) to £250m per year and lift the cap on amounts available to individual universities to realise even greater economic benefit to the UK**
- **Ensure all research business conducts with universities is automatically eligible for the Research and Development Expenditure Credit (RDEC) to drive further private investment in R&D**
- **Expand the University Enterprise Zones pilot so that all universities are eligible and enhance the support to include business rate relief and other measures**
- **Introduce a new funding competition ('Powerhouse Awards') to scale up business-university collaborations and drive the development of new products and technologies to commercialisation**
- **Reduce bureaucracy and drive demand for KTPs through pre-approval in batches and better promotion of the scheme nationally**

- The creation of the National Innovation Plan takes place in the context of significant changes and uncertainty around the future of innovation and knowledge exchange infrastructure signalled in the Nurse Review and confirmed in the HE White Paper. Ensuring that the public support mechanisms for innovation work effectively is critical in driving the development of new products and technologies to commercialisation as well as enabling universities to transfer their innovative knowledge and expertise to businesses.

- When Innovate UK is merged into the new UK Research and Innovation arm's length body (UKRI) it should retain a completely separate budget and must not be integrated without its concomitant funding. The conversion of grants to loans could introduce additional risks for universities in participating in collaborative projects; it would not be appropriate, for example, to convert grants to fund proof of concept activities to loans or other financial instruments.

- With the creation of the Office for Students and UKRI, careful consideration will be needed concerning how funds to promote innovation including HEIF and RPIF will be administered and supported in future. HEIF is extremely effective at developing knowledge-based interactions between universities and businesses and should be maintained for the long-term. Increasing HEIF funding to £250 million per year would help build on the existing innovation capacity within the UK's leading universities, and better targeting the funding would enable those universities best able to translate world-class research and knowledge to deliver even greater economic benefit to the

UK. Similarly RPIF has been very successful in leveraging significant external investment into important capital projects at the UK's leading universities and should continue as a strategic initiative for the future.

- Russell Group universities lead the way in producing innovative new spin-out companies and licensing their IP. Technology Transfer Offices have been integral to these successes, carrying out a range of critical functions on behalf of universities and businesses – adding value to and speeding up commercialisation processes. The successful exploitation of IP is very complex and a single, one-size-fits-all approach is unlikely to be fit for purpose; it is therefore vital that universities should maintain autonomy to manage their own IP. Considering how existing tools, such as Lambert Agreements, could be promoted better and made more effective would be helpful to further maximise the value of IP assets.

2. Context

2.1 **World-class universities are a crucial part of a nation's knowledge base and absorptive capacity, creating the knowledge and scientific breakthroughs essential to innovation, which underpins long-term economic growth.**

2.2 Russell Group universities in particular contribute out of all proportion to their size on key economic measures, and are highly effective and successful in the commercial exploitation of their research.[1] We have produced a series of publications and films demonstrating how research conducted by Russell Group universities gives rise to a range of impressive economic and social impacts.[2] The most recent of these, *Engines of Growth*, analyses a sample of Research Excellence Framework (REF) impact case studies from Russell Group universities and finds that research underpinning a small sample of case studies resulted in at least £21 billion of wider economic benefits – 100 times the initial investment.

2.3 Russell Group universities play a key role in their local communities acting as drivers of 'place'-based innovation; working with business, LEPs, City Regions, local authorities and others to provide local leadership and help to develop local innovative capacity; and promoting the creation of highly-skilled jobs and improvements in productivity.[3]

2.4 In order to continue reaping the benefits of the innovation and economic impact developed from our universities' research and knowledge transfer activities, the Innovation Plan should focus strongly on how best to capitalise on the innovative potential within the UK's leading universities. This will help to drive the development of new products and technologies to commercialisation as well as enabling universities to transfer their innovative knowledge and

[1] In 2014-15, our universities accounted for 75% of the total income from contract research to UK universities, 68% of the IP income generated by UK universities, and 59% of active spin-outs which survived for three years. Source: HESA HEBCI data 2014-15

[2] Our *Engines of Growth* report and accompanying film is available here: http://www.russellgroup.ac.uk/media/5324/engines-of-growth.pdf Our report, *The social impact of research conducted in Russell Group universities*, published in 2012 is available here: http://www.russellgroup.ac.uk/policy/publications/the-social-impact-of-research-conducted-in-russell-group-universities/ Our report *The economic impact of research conducted in Russell Group universities*, published in 2010 is available here: http://www.russellgroup.ac.uk/media/5254/economic-impact-of-research.pdf

[3] For example, our universities have often been instrumental in securing investment for the knowledge economy where City Deals have taken place including in Birmingham where the University of Birmingham and Birmingham Children's Hospital have secured matched government funding, as part of the Birmingham City Deal, to build the £24 million Institute of Translational Medicine.

expertise to businesses. The Plan should also consider how to incentivise businesses to invest in R&D and to access and engage with the UK's research base.

2.5 Sustained long-term investment in research and innovation is critical to the maintenance of the UK's comparative advantage. We welcomed the commitment at CSR to protect the research resource budget in real-terms for the remainder of this Parliament, but while the UK maintains a world-leading position in research excellence, public investment in our research base and universities is far lower than our international competitors. **The intention outlined in the National Innovation Plan call for ideas to move towards spending 3% of GDP on R&D is therefore welcome.**

2.6 **Current public support mechanisms for innovation could be more effective in addressing the barriers to innovation**. There are significant gaps in the UK's funding pipeline to take a research idea through to a final product or service, including problems in accessing 'proof of concept' funds and sufficient venture capital. Existing support mechanisms could be expanded and better targeted to support the UK's leading universities in translating world-class research and knowledge into economic benefit to the UK.

2.7 The UK needs to create the right environment for new ideas to develop and grow into commercial success. **Current VAT legislation and guidance is hindering collaboration between universities and businesses, and financial and tax support for early stage ventures should be enhanced.**

3. Options for new initiatives to drive innovation

3.1 The following policy options, in order of priority, would all incentivise greater business-university collaboration – driving research commercialisation, diffusing knowledge into the economy and creating economic benefit for the nation:

Proof of concept fund for research excellence

3.2 One of the biggest challenges when taking research ideas through to commercialisation is demonstrating proof of concept and proof of market potential. This is an essential step in securing external investment for further development. The availability of this type of funding is vital for universities in developing products and technologies to commercialisation (helping to bridge the so called 'valley of death'), and should be enhanced. A recent evaluation commissioned by Innovate UK of proof of concept funding available to businesses and universities has shown that such funding tends to be fragmented and is not always consistently available.[4] Furthermore, many proof of concept schemes are not open to universities, such as Innovate UK's own SMART scheme. Addressing this gap in funding would make a significant difference to our ability to drive innovation.

3.3 The biomedical catalyst fund (supported by the MRC and Innovate UK) is a proven model for de-risking key steps in development and helping to accelerate excellent research ideas into new products and therapies. We welcome the expansion of the Catalyst model to include agri-tech, energy and industrial biotechnology.

3.4 A wider fund (which we would suggest should be around £50 million per year of additional money) available across the research spectrum would help ensure all areas of research are similarly supported. Such a fund could play a critical role in leveraging additional funding for seed activities from universities' internal funds as well as helping universities to attract

[4] Review of UK Proof of Concept support, IP Pragmatics commissioned by Innovate UK (September 2015)

external investment. It could be coordinated across Research Councils and with Innovate UK, building on the catalyst model and on Research Council follow-on funding.

Targeted VAT exemption for new business-university capital investments supporting research and innovation

3.5 Current uncertainties in liability for VAT on new research facilities and the supply of research services create unnecessary barriers to collaborations between businesses and universities. The maximum threshold for commercial use of a university building before VAT is due is very low (only 5%), and the task of calculating building apportionment for commercial and non-commercial activity is burdensome. VAT liability on university floor space used for business purposes is therefore a disincentive to co-location of business and university research activities.

3.6 Liability for VAT as a result of universities collaborating with businesses to foster innovation has also meant that the value of public investment in new facilities has been reduced. For example, Imperial's new £140 million Research and Translation Hub received £35 million from the Government through the Research Partnership Investment Fund (RPIF). However, as the whole development is liable for VAT, £24 million (i.e. equivalent to almost 70% of the total RPIF investment by the Government) will be returned to the Treasury in VAT – meaning the true government contribution through RPIF is a net £11 million.

3.7 Recent interpretation of VAT legislation has also hindered equipment sharing between institutions, businesses, charities and other partners - unless special arrangements such as cost sharing groups are established, incurring a heavy administrative burden, and thus undermining the benefits of the VAT exemption. Clearer guidance is required concerning the supply of research services and how this should be classified for the purposes of VAT, particularly with regard to transactions between universities and businesses.

3.8 Introducing a targeted VAT exemption for new university buildings used for collaboration with business would remove the current disincentive and help to underpin economic growth and drive innovation. This could be tied to (but not limited to) an expansion of the University Enterprise Zone pilot, and could build on and expand the current HMRC guidance which states that research falls outside the scope of VAT if it is in the 'public good'. Alongside this, HMRC should produce clearer guidance for institutions on how to interpret VAT regulations, particularly with regard to the supply of research services.

Boost HEIF to £250m per year and lift the cap on amounts available to individual universities

3.9 The Higher Education Innovation Fund (HEIF) should be maintained for the long-term as it is vital in facilitating innovation and the impact of our research as well as promoting entrepreneurialism and engagement with businesses, including SMEs. HEIF funding has been invested by Russell Group universities in a wide range of activities from proof of concept investment to develop world-leading graphene technologies, to helping to secure high value new global research centres, and supporting universities to deliver entrepreneurial education to thousands of students.[5]

[5] For example: HEIF was instrumental in setting up and in the early-stage development of a graphene spin-out from the University of Manchester, 2-DTech Limited, to commercialise graphene technology. HEIF funding also helped the University of Exeter to secure a £2 million collaboration with Astra Zeneca to create a unique global centre to boost the effectiveness and safety of vital new drugs for both patients and the environment and to secure high tech jobs in the South West. HEIF has supported the University of Cambridge's Centre for Entrepreneurial Learning which has delivered entrepreneurship training to more than 16,000 people over the last decade.

3.10 There is robust evidence demonstrating the impressive return on investment which HEIF provides, enabling universities to leverage-in important investment from the private sector:[6]

(a) Every £1 of HEIF funding results in a return on investment of £9.70 in benefits for the economy and society, and the return is greater where research intensity is greater.
(b) Approximately 33% of Knowledge Exchange (KE) income is attributable to HEFCE KE funding (this equates to £700 million per annum worth of KE activity at Russell Group universities alone).

3.11 Increasing HEIF funding to £250 million per year would help build on the existing innovation capacity within the UK's leading universities, driving more activity to translate world-class research and knowledge into greater economic benefit to the UK.

3.12 The current £2.85 million allocation cap for any single institution means universities that deliver most of the UK's excellent research are being constrained in their ability to translate research into innovation. Lifting the cap would target limited resources through HEIF on those universities best able to translate world-class research and knowledge into even greater economic benefit to the UK. With a more proportionate level of HEIF funding, our universities could not only fulfil their potential in knowledge transfer, but also help other institutions to do so too.

3.13 Concentration of HEIF funding does not prevent all institutions from maximising the economic benefits of their knowledge base. There are many successful collaborative models in existence where universities work together to generate economic benefit. Smaller and less research-intensive universities can and do access the knowledge transfer expertise and in some cases, facilities and seed/venture capital funds, within larger and more research-intensive universities.[7]

3.14 It is vital that HEIF can continue to be used flexibly by institutions to support a range of knowledge exchange activities. We would caution against restricting the uses of the funding as this could have a counterproductive effect on the capacity and capability of the innovation infrastructure at UK universities.

All research business conducts with universities automatically eligible for the Research and Development Expenditure Credit (RDEC)

3.15 Despite recent improvements to the R&D Tax Credit schemes, the qualifying expenditure criteria for research are still too complex and restrictive. In turn this adds to the administrative burden and creates a disincentive for some businesses to engage (in particular small and mid-sized businesses and those that may not have engaged in major R&D projects before).

3.16 Introducing automatic eligibility for all research which is being conducted in collaboration with universities would incentivise greater business-university collaboration as it would provide a clear guarantee that an RDEC claim will be successful. This would drive further private investment in R&D, boosting productivity and economic growth.

[6] Assessing the Economic Impacts of the Higher Education Innovation Fund: a Mixed-Method Quantitative Assessment (October 2015)

[7] For example, the University of Oxford's ISIS arm and the University of Liverpool are collaborating with Aston, Oxford Brookes and Middlesex on staff development and the commercialisation of technology transfer projects and the University of Manchester collaborates with around 50 other universities in the UK on knowledge exchange activities.

Expand the University Enterprise Zones pilot

3.17 We welcome the establishment of four University Enterprise Zones (UEZs), including partnerships involving or led by the Universities of Bristol, Nottingham and Liverpool. Following the pilot stage (which runs until 2017), we would like to see the scheme broadened so universities across the UK will be eligible to bid and the investment increased so that a greater number of UEZs can be established.

3.18 Russell Group universities are already investing in the provision of facilities and expertise to businesses within and outside their own regions, from business incubation services to networking hubs and large-scale science parks. Expanding the network of UEZs to cover all of these would enable our universities to accelerate the work they are doing to foster business start-ups, innovation and growth.

3.19 The current pilot focuses on support for capital (to create start up and incubator space) and support from UKTI to create an investment proposition. When rolling out UEZs further, this support could be enhanced by providing business rate relief, a targeted VAT exemption on buildings/facilities used for business-university collaboration and other measures identified by universities and start-up firms in the 2017 evaluation of the pilots.

'Powerhouse Awards': a funding competition for consortia of universities and industry to drive the development of new products and technologies to commercialisation

3.20 Russell Group universities are leaders in establishing long-term multi-dimensional relationships with the full spectrum of businesses – from SMEs to multinationals, charities and other organisations – whether this is through sharing knowledge and skills with local companies, working on major research projects with multinationals, driving research commercialisation or providing incubator space for innovative start-ups. However, more could be done to support existing efforts to evolve and grow further to the point of creating global scale and driving the UK's comparative advantage in international markets.

3.21 New 'Powerhouse Awards' would facilitate the establishment of consortia between universities, industry and other local/regional/national bodies: the consortia would focus on taking key research ideas right through to implementation with business. The Awards would incentivise long-term multi-lateral collaborations between universities and businesses and leverage private investment in research, development and training. These consortia would be more focused than Catapults and would help to build a critical mass of collaborative activity and funding to capitalise on the innovation potential of the research base.

3.22 Powerhouse Award funding could be used for research, proof of concept, training and nearer-market implementation activities allowing universities to work with business partners in a seamless way (rather than having to engage different funders at different stages of a project). Direct funding from Government (c. £10-25m over five years per consortia) could be allocated on a competitive basis – with the focus on quality – and held by universities on behalf of the consortia. The funding could be matched with regional growth funds and funding from business and other sources as appropriate. In addition, any underspend in the incoming apprenticeship levy could be targeted towards the training component of the Awards.

Pre-approval of Knowledge Transfer Partnerships (KTPs) in batches to reduce bureaucracy and drive demand from businesses and universities

3.23 KTPs, which typically engage SMEs with expertise in universities, are a valuable mechanism for knowledge transfer, helping businesses to improve their competitiveness and productivity through the use of knowledge, technology and skills that reside within the UK research base.

However, the length of time and administrative effort required to establish a KTP is a source of frustration to both industrial and academic partners, and a particular challenge for SMEs.

3.24 Whilst we welcome moves by Innovate UK to reform the application process and increase the speed of decision-making, other approaches could be considered. For example, universities with the highest grant value for KTPs could have their KTPs 'pre-approved' in batches so they can make decisions about KTP projects themselves in 'real time' and activate KTPs much faster. This would reduce the bureaucracy involved in the application process for both universities and businesses.

3.25 Greater promotion of KTPs nationally would also be helpful to strengthen the KTP brand and would make it easier to recruit and retain KTP Associates. Queen's University Belfast is currently leading a national campaign to develop a stronger national KTP brand and any additional support for this would be welcome. There may also be an opportunity to expand on existing KTP provision by targeting any underspend in the apprenticeship levy for use in funding additional KTPs. In order to improve the uptake of KTPs, local enterprise partnerships (LEPs) could be major contributors to KTP funding, raising awareness with the SME community in particular, and helping to boost the number of partnerships supported each year in their regions.

4. Ensuring the UK's innovation funding infrastructure is fit for purpose

4.1 In order to continue to capitalise on the ability of the UK's leading universities to drive our innovative potential, the UK needs a range of effective public support mechanisms, including those that can leverage additional investment and incentivise on-going business-university collaboration.

4.2 The creation of a National Innovation Plan for the UK takes place in the context of significant uncertainty around the future of innovation and knowledge exchange infrastructure signalled in the Nurse Review and HE White Paper.[8] Ensuring that the UK's innovation funding infrastructure facilitates the development of new products and technologies to commercialisation as well as enabling universities to transfer their innovative knowledge and expertise to businesses is critical.

4.3 The Government is proposing to integrate Innovate UK into a new overarching body for research and innovation – UKRI. Should this occur, **Innovate UK must retain a completely separate budget within UKRI and must not be integrated without its concomitant funding**. It would be counterproductive to fund Innovate UK at the expense of investment in basic research, which provides the pipeline for new technologies and knowledge underpinning innovation.

4.4 Other changes are also being made to the way in which Innovate UK operates including converting a proportion of their funding from grants into other financial instruments such as loans and equity stakes by 2019-20. **This could introduce additional risks for universities in participating in collaborative projects** and could make it harder to attract matched funding from businesses. Other financial instruments being considered for Innovate UK,

[8] See the Russell Group responses to the HE Green Paper and Nurse review for detailed evidence on the future of the research landscape and dual support system:
http://www.russellgroup.ac.uk/policy/policy-documents/response-to-the-he-green-paper/ (Green Paper response)
http://www.russellgroup.ac.uk/policy/policy-documents/response-to-the-nurse-review-of-research-councils/ (Nurse review response)

including taking equity stakes in the outcome of projects, will almost certainly add further complications regarding how Innovate UK is managed, whether businesses and universities will be willing to engage and whether Innovate UK will be able to deliver truly innovative technologies in future. It would not be appropriate, for example, to convert grants to fund proof of concept activities to loans or other financial instruments. Such a move would exacerbate the existing significant gaps in the UK's funding pipeline to take a research idea through to a final product or service.

4.5 With the creation of the OfS and UKRI as set out in the HE White paper, **careful consideration will be needed concerning how funds to promote innovation including HEIF and RPIF will be administered and supported in future**. As outlined above, HEIF is extremely effective at developing knowledge-based interactions between universities and businesses, and facilitating innovation which results in economic and social benefit to the UK. It is also one of the few remaining funding sources available to universities allowing them sufficient flexibility to leverage additional funding from external sources. It is vital that HEIF is maintained for the long-term and that it is targeted to support research-intensive universities where it can have the greatest impact.

4.6 The success of our universities in leveraging external investment through RPIF has demonstrated the extent to which public and private partners see great benefit in such collaborations and we look forward to this stream continuing as a strategic initiative.

4.7 There are also opportunities for Government to **make better use of public procurement processes to drive innovation, and in particular, to encourage engagement with start-ups and university spin-outs.** The Small Business Research Initiative (SBRI) is helpful in providing contracts to companies to develop research through to commercialisation, often in conjunction with other support mechanisms.[9] Government should look to build on the SBRI and ensure procurement decisions are taken with a view to incentivising long-term innovation through investment in new technologies emerging from leading universities rather than focusing on short-term cost reduction.

5. Creating a risk-based regulatory environment to facilitate successful university-business collaborations

5.1 **Russell Group universities lead the way in producing innovative new spin-out companies and licensing their IP**. In 2014-15, Russell Group universities accounted for:

(a) 68% of all IP income generated by UK universities (over £106 million)
(b) 70% of IP income involving SMEs (excluding software licenses)
(c) 59% of all spin-out companies still active after three years

5.2 Russell Group universities also significantly outperform other universities in the value of their spin-outs and start-ups, accounting for over 52% of the turnover of all spin-outs and start-ups with some HEI ownership in 2014-15 (a total of £560 million, up 40% on the previous year).

5.3 **Technology Transfer Offices (TTOs) have been integral to these successes, carrying out a range of critical functions on behalf of universities and businesses** – adding value to and speeding up commercialisation processes. It has been suggested that TTOs are overly focused on short-term income generation. This is not the case as TTOs are assessed

[9] For example, SBRI is supporting the development of a technology jointly developed by researchers at the University of Liverpool and Polyphotonix, an SME through a KTP partnership. The technology is being developed to halt degeneration in patients with two classes of eye disease.

on financial objectives over varying timescales with a focus on promoting research impact and business growth, rather than simply making a profit.

5.4 TTOs support spin-out companies in a range of ways particularly during early formative stages. These include: identifying commercial value and evaluating commercial potential; helping to attract external investment and investing internal university seed funds where appropriate; providing access to university facilities and incubation spaces; offering legal advice and administrative support; and registering patent applications and IP and negotiating licence agreements. In return, TTOs seek an equitable share of the financial benefits of commercialisation activity in order to incentivise faculty, and reinvest in research, teaching and future technology transfer.

5.5 Essentially, our TTOs provide the commercialisation expertise and resources that are otherwise lacking in the UK and indeed can only be found in a few places internationally, such as Silicon Valley.

5.6 The role of the TTO in identifying, protecting and transferring IP is critical in enabling new products and services to be developed to the benefit of the society and the economy. In recent years, Russell Group universities have led the way in pioneering innovative new models for IP management such as the Easy Access IP scheme, meaning TTOs focus on a smaller number of potentially high value opportunities and provide a wide range of IP available free of charge to businesses and individuals. Many of our universities also provide accelerator facilities and advice for external emerging businesses as well as staff and graduate start-ups, and spin-outs.[10] [11] Our universities provide different options to academics and investors enabling them to decide whether or not to utilise the services offered by TTOs, and where there is no TTO involvement in a spin-out, substantially reducing the share of revenues from net royalties.

5.7 **The successful exploitation of IP is very complex and a single, one-size-fits-all approach is unlikely to be fit for purpose.** It therefore makes commercial sense that the treatment of IP should vary according to the circumstances, depending on the nature of the research and company to be spun-out or technology to be licensed. In the majority of cases, protecting IP is crucial to the development of a technology and helps to maximise opportunity for a return on investment for both the university and the industry partner/investor. In turn, this means it is **vital universities should have and maintain autonomy to manage their own IP**, using their expertise to make decisions about how best to spin-out and licence technology and other IP in order to drive economic growth.

5.8 While there are certainly areas in the innovation landscape that could be improved – such as the Lambert Toolkit and the availability of venture capital and proof of concept funds – the variety of approaches to IP management in the UK is extremely advantageous. It has enabled the UK to become a world-leading innovation hub that attracts entrepreneurs and FDI. **It would therefore be counterproductive to introduce regulation around university-business collaboration.**

[10] Easy Access IP was first introduced by the University of Glasgow in 2010 and later adopted by Bristol, Birmingham, Durham, Exeter, and King's College London. By the start of 2015, Easy Access IP had been adopted by 24 universities and research organisations both in the UK and abroad, with overwhelmingly positive preliminary evaluation results.

[11] For example, SETsquared is a collaboration between the Russell Group universities of Bristol, Exeter and Southampton and partner universities of Bath and Surrey that aims to accelerate the growth of innovation and technology businesses to stimulate economic growth in the regional economy. SETsquared has raised over £1 billion in 10 years and has been voted Europe's number one University Business Incubator.

5.9 Lambert Agreements, introduced in 2005, were designed to improve the process of negotiating collaborations between universities and businesses, and to make it easier for smaller businesses to engage. Research suggests that the Lambert toolkit has had a positive influence on some innovative research partnerships between UK universities and businesses, and is often used as a starting point for negotiations. We welcome the Government's intention to consider how the Agreements could be promoted better and made to work more effectively (as signalled in the HE White Paper). For example, Innovate UK could promote the Agreements through their interactions with business partners in receipt of IUK funding, and particularly SMEs who tend to be less familiar with the Agreements and less likely than larger companies to have access to their own standard agreements for collaboration.

May 2016