

RE-P-2020-03-Annex B

Loughborough University

HEIF accountability statement

**Narrative return template for HEIF funding period
2021-22 to 2024-25**

Return date: 21 May 2021

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Question 1 – Strategic objectives

Summarise the institutional strategic objectives that relate to knowledge exchange and guide your plans for HEIF.

We expect institutions' plans for HEIF to be guided by strategic objectives for knowledge exchange. However, there is no requirement for institutions to submit or maintain a standalone knowledge exchange strategy document.

We appreciate that KE objectives may be found in a specific KE strategy document or they may be contained as part of other strategic documents such as teaching, research or overarching institutional strategies.

Whatever form your knowledge exchange objectives are in, please provide a precis of the main objectives here so that we can see the strategic context that guides your plans for HEIF and forms the basis for your monitoring and delivery of intended benefits.

We welcome the inclusion of hyperlinks to published strategies and plans that may be referenced in the summary.

In answer to this question, you are free to use text or tabular format but please ensure that the question response is contained in no more than two pages of A4.

The current Loughborough University Strategy – Building Excellence – is available at <https://www.lboro.ac.uk/strategy/>

Within Loughborough University's strategy, Enterprise is fully integrated into all activities and is integral to the institutional mission in order to:

1. Further knowledge and understanding through internationally recognised research
2. Provide a high quality, comprehensive educational experience that prepares our graduates for their future lives and the global workplace
3. Influence the economic and social development of individuals, businesses, the professions and communities
4. Shape national and international policy and practice

Our KE strategy derives from the University's "Building Excellence" Strategy and links to all four of its strategic drivers.

1) Investing in Staff – Enterprise is integrated into the appointment, promotion and reward of academic staff at Loughborough University. Accordingly, the academic job family is called "Research, Teaching and Enterprise" (rather than just "Research and Teaching") in recognition of the importance and integrated nature of enterprise and knowledge exchange at the University. At Loughborough we aim for widespread engagement with Knowledge Exchange across the whole academic community.

2) Educating for Success – Provide outstanding enterprise education to our students and a complementary extra-curricular student enterprise programme which includes support for student businesses. Increase programme delivery from practitioners within business, public and voluntary organisations. Expand business incubation, start-up and spinout opportunities for recent graduates, staff and the wider community. Deliver high-quality executive education, CPD, and short-course programmes.

3) Growing Capacity and Influence – Collaborate with and support partners at local, regional, national, and international level with Knowledge Exchange and Innovation. Drive social, cultural and economic prosperity in our regions. Maximise the impact of our research with end-users in industrial and public sectors.

4) Raising Standards and Aspirations – Further embed Knowledge Exchange activities across all our academic Schools to enable growth in the breadth and depth of engagement with our partners. Expand the world-class innovation community on our Science and Enterprise Park.

Loughborough University aims to continue to grow the enterprise activity and culture on both our campuses so that it is i) embraced by all staff, across all Schools and professional services, ii) fundamental to the Loughborough student experience, and iii) enriched by productive engagement with partners.

Our specific knowledge exchange objectives are:

1. To accelerate the creation of social, cultural, and economic impact through research-informed knowledge exchange.
2. To enhance the quality and relevance of taught programmes and the student experience through enterprise education, student enterprise, employer engagement, and practice-informed teaching.

3. To be a partner of choice across the business, public and voluntary sectors with local, national, and international organisations.
4. To be a pro-active, business-friendly, and supportive hub within our local economies, recognised for success in creating and nurturing spinout and start-up businesses, and for our Science and Enterprise Park.
5. In so doing, to enhance the University's reputation and financial sustainability by diversifying income streams.
6. Be recognised locally, nationally, and internationally for our enterprise culture and the outstanding achievements it delivers.

The University is currently reviewing its institutional strategy. This will include focussing on the positive impact we have on the wider world through the work that we do with our partners, facilitating knowledgeable and highly-skilled people to work together across disciplinary and organisational boundaries, with a greater focus on Equality, Diversity & Inclusion, and taking full advantage of appropriate commercial opportunities so as to further diversify income streams. We will also continue supporting our local communities, strengthen our role regionally, contribute significantly at national level, and strive to enhance our international reputation.

Question 2 – Use of HEIF

How do you intend to use your 2021-22 to 24-25 HEIF allocations?

As detailed in [RE-CL-2020-04](#) and RE-P-2020-03., in order to enable institutions to effectively respond to the Covid-19 pandemic, we will use the 2019-20 HEIF Annual Monitoring Statement submitted in February 2021 to gather information about the use of HEIF during 2020-21,

In this accountability statement return we would like to know about your plans for HEIF for the remainder of the funding period 2021-22 to 2024-25. Please include indication of the planned timescale of the activity e.g. 2021-22 only; ongoing or 2022-23 onwards.

Please use the response layout grid provided overleaf, to provide the following information:

- a) Describe the key activities supported by your HEIF allocation.
- b) Include specific reference to how you expect HEIF to support these activities – i.e. specific expenditures: funded posts, academic staff buy out, internal competitive projects; and the proportion of the activity that is supported by HEIF (e.g. x1 business development post 50% HEIF funded).
- c) How these activities relate to the government priorities and RE-OfS strategic objectives outlined in paragraphs 9 and 10 of RE-P-2020-03. Where student benefits are achieved, please include an indication of the number of students benefiting.
- d) Which strategic KE objective, as outlined in question 1, does each activity relate to.
- e) Indication of the timescale for each activity (e.g. 2021-22 only, ongoing or to be confirmed)

In answer to this question, please use the response grid provided and ensure that the entire question response is contained in no more than six pages of A4 or A3.

Question 2: Use of HEIF

(Max 6 pages of A4 or A3)

<p>Planned areas of HEIF supported KE activity</p> <p>Please provide an overview of planned KE activities or projects that will be supported by your 2021-22 and onwards HEIF allocations.</p>	<p>HEIF support</p> <p>How HEIF will be used to support the project?</p>	<p>HEIF priorities</p> <p>How does this relate to govt priorities and RE-OfS strategic objectives? (Including note of scale where student benefits are achieved.)</p>	<p>Strategic objectives</p> <p>Which institutional strategic KE objective does this relate to?</p>	<p>Indication of timescales</p>
<p><u>User Engagement and Knowledge Exchange Partnership Development</u></p> <p>Activities in this area will include:</p> <p>Enterprise Projects Group Funding - Internal funding competition to run alongside the University's EPSRC Impact Acceleration Account (IAA) to enable academics to generate impact from their research.</p> <p>Types of projects to be supported include: secondments (academic to industry and vice versa), joint projects with industry, commercialisation of IP, market research, public awareness/engagement projects and enterprise fellowships.</p> <p>Partnerships Framework Utilisation – Employ a framework to enable academic colleagues to categorise and prioritise who they are working with to secure maximum impact</p> <p>Engagement with external organisations - Support for development of collaborations with</p>	<p>55% of Dedicated KE HEIF funding including:</p> <p>-Support for the Partnership Development (PD) team</p> <p>55% of Academic KE HEIF funding including:</p> <p>-Academic time on KE projects as part of their Research, Teaching, and Enterprise (RTE) contract portfolio</p> <p>-ADE mentoring support</p> <p>30% of Other costs including:</p> <p>-Funding for 30-40 EPG projects (£500k per year)</p> <p>-Subscriptions/memberships to sector specific organisations that link HEIs</p>	<p>Supports govt commitment to knowledge exchange and impact, and to capturing economic and social value from research</p> <p>Supports “people” and “ideas” theme of of the industrial strategy (IS),</p>	<p>Objective 1: Investing in staff</p> <p>Objective 3: Growing capacity and influence</p> <p>Objective 4: Raising standards and aspirations</p>	<p>All activities ongoing</p>

<p>external organisations including KTP, contract research, sponsored PhDs, and similar activities.</p> <p>ADE Network in Schools - Continued support for academic KE activity through a network of funded Associate Deans for Enterprise (ADEs), including continuation of advisory groups within academic schools supporting the University's Enterprise Committee</p>	<p>with non-academic organisations</p>			
<p><u>Development and Commercialisation</u></p> <p>Activities in this area will include: Support for patents, licensing and Spinouts -Supporting individual innovations from first disclosure through to commercialisation by licensing or spinout routes.</p>	<p>20% of Dedicated KE HEIF funding including:</p> <ul style="list-style-type: none"> -Support from the IP Commercialisation (IP) Team <p>15% of Academic KE HEIF funding including:</p> <ul style="list-style-type: none"> -Academic time on commercialisation projects -ADE mentoring support <p>40% of Other Costs including:</p> <ul style="list-style-type: none"> -Funding for patents, IP protection 	<p>Supports 'ideas' theme of institutional strategy</p>	<p>Objective 2: Educating for success</p> <p>Objective 3: Growing capacity and influence</p>	<p>Ongoing</p>
<p><u>Development of KE skills, capability and /or culture</u></p> <p>Activities in this area will include:</p>	<p>15% of Dedicated KE HEIF funding including:</p>	<p>Supports levelling up agenda.</p>	<p>Objective 1: Investing in staff</p>	

<p>Loughborough Enterprise Network</p> <p>LU Inc Business Incubator - brings together a critical mass of start-up businesses supported by the University, including graduate, academic staff and external entrepreneurs.</p> <p>Studio - business start-up programme to support graduates graduate entrepreneurs develop their businesses through access to training, one to one support and workspace.</p> <p>Entrepreneur in residence - raising understanding of entrepreneurship by building a mentor network of experience entrepreneurs.</p> <p>Training for academics - including CAP, Enterprise Clinics, External enterprise training e.g. Medici and mentoring support through ADEs</p> <p>Impact Showcases – raising awareness of routes to impact and impact types within the academic community through REF Impact Case Studies</p> <p>KEF Strategy Development – developing our focus for KE through the identification of KEF and KE Concordant institutional priorities</p>	<p>-LEN and Careers team support</p> <p>-PD/IP team support for training and events / activities</p> <p>20% of Academic KE HEIF funding including:</p> <p>-Academic time (including ADEs) on training activities and involvement in student mentoring</p> <p>15% of Other Costs including:</p> <p>-Funding for external training</p>	<p>Supports institutional strategy themes of ‘people’ and ‘Place’ – upskilling the workforce/enabling business growth</p>	<p>Objective 2: Educating for success</p> <p>Objective 3: Growing capacity and influence</p> <p>Objective 4: Raising standards and aspirations</p>	<p>Ongoing</p> <p>19/20 onwards</p> <p>Ongoing</p> <p>2021 onwards</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
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<p><u>Regional growth and public engagement</u></p> <p>Loughborough University Science and Enterprise Park (LUSEP) - Continued growth of LUSEP including strategy for utilisation of space, clusters, gateway policy, supply chain community and programme of events to support LUSEP tenants.</p> <p>REAP programme — Continuation of the Regional Entrepreneurship Acceleration Programme (REAP) activity now embedded in the LEP’s Economic Recovery Plan as the Innovation Strand</p> <p>iNet – SME mentoring programme for local SMEs</p> <p>Support for ‘Restocking the Business Base’ – two-year COVID response project, funded through local Enterprise Zone retained rates, providing business start-up support to educate aspiring entrepreneurs including recent graduates and people living/seeking employment in the region connecting them with follow on business support, facilities and networks.</p> <p>Careers & Enterprise Hub and New Business Wayfinder Project– launch of a new facility in Loughborough Town, in partnership with FE provider Loughborough College.</p>	<p>10% of Dedicated KE HEIF funding including:</p> <ul style="list-style-type: none"> -LUSEP Commercial team support -Facilities Management Support -Marketing team support -Commercialisation team support -PD team support <p>10% of Academic KE HEIF funding including:</p> <ul style="list-style-type: none"> -Academic time in SME mentoring/R&D projects <p>15% of Other Costs including:</p> <ul style="list-style-type: none"> -Funding for events, marketing etc 	<p>Supports “ideas”, “people”, “place” and levelling up pillars of the IS.</p>	<p>Objective 4: Raising standards and aspirations</p>	<p>Ongoing</p> <p>19/20 to 21/22</p> <p>19/20 to 21/22</p> <p>2021 to 2024</p> <p>2021 to 2024</p>
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Question 3 – Monitoring success

How do you manage your HEIF funding and monitor the success of your activities against the strategic objectives set out in question 1, and in line with delivering Government priorities?

Describe the policies, procedures and approach you have in place in the context of your strategic objectives to:

- i. manage your HEIF spending
- ii. measure progress
- iii. evaluate outcomes and
- iv. identify lessons learned.

In answer to this question, you are free to use text or tabular format but please ensure that the entire question response is contained in no more than four pages of A4.

As evidenced in Annex C our forecast for HEIF spend across Dedicated KE, Academic KE and Other costs is in line with the previous 5 years. This is subject to change following the implementation of the Institutional Strategy.

At an institutional level, our HEIF funding is managed and measured by our Operations Committee, chaired by the Provost and Deputy Vice Chancellor and attended by the Director of Finance, three Pro Vice-Chancellors (Teaching, Research, and Enterprise) and the Chief Operating Officer. The success of our knowledge exchange activity is measured through our HE-BCI return. We benchmark our HEBCI metrics both externally against our KEF Cluster group (X) and internally at a School level, to ensure that we are learning from best practice when reviewing our strategy. Quarterly reports outlining Knowledge Exchange activity across the University are presented as part of our governance process to the Enterprise and Finance Committees, Senate and Council, and to Schools' internal advisory groups to enable internal target setting and benchmarking. This information is used to inform our KE strategy on an ongoing basis to ensure we are maximising opportunities for impact in all areas.

User engagement and Knowledge Exchange Partnership Development

15% HEIF funding is ring-fenced for allocation by Enterprise Projects Group (EPG). Historically approximately 30-40 projects ranging in value from £1k to £150k have been awarded per year. The funding is awarded through a competitive application process with open calls throughout the year. These applications are assessed by a formal panel consisting of the Director of Research & Enterprise, four ADEs and the Head of Partnership Development and Commercialisation. Targeted calls may be scheduled where there is a specific opportunity or challenge to address. EPG projects are supported by our Partnership Development and Commercialisation teams to ensure that we maximise impact from these projects. Applicants are required to complete final reports to

capture the impact of their projects and to report on funding leveraged and plans for future engagement with external stakeholders.

Independent reviews of our KE activities including EPG funding are conducted periodically, to challenge and influence change in processes where necessary. A recent evaluation of our EPG processes resulted in (i) a change to the membership of EPG to include greater diversity and knowledge, and (ii) a more streamlined application process to improve the accessibility of the funding – particularly for early career researchers. We have selected the members of the EPG panel to represent the diverse nature of projects with members of staff from engineering, science, and social sciences and humanities.

A University Partnership Framework has been launched to ensure that mutual benefit is realised from relationships with our collaborators. The framework is enabling academic colleagues to categorise and prioritise who they are working with to secure maximum impact. This also allows us to focus our resource to effectively manage and nurture partnerships, highlighting where there are opportunities to access different funding routes and broaden the relationship(s). The framework will also facilitate more targeted use of HEIF funding. Our Partnership Development team work closely with our ADEs and academic Schools to evaluate engagement with external partners. Regular partnership reports are presented to the schools detailing the types of engagement and whether they have leveraged additional collaborations. A recent pilot study in the Schools of Design and Creative Arts (DCA) and Business and Economics (SBE) has highlighted the number of partners that could be classified as strategically important to the University, but where there are opportunities for us to leverage broader engagement.

Development and Commercialisation

Commercialisation elements (spinouts, licensing and IP protection) are jointly managed by the Commercialisation Team in collaboration with ADEs and senior academic management teams, but with active support from our incubator (LU Inc) post spinout. All core Commercialisation Team members are responsible for taking an individual innovation from first disclosure through to commercialisation by licensing or spinout routes. They thus gain in-depth experience of all routes to market and are mentored by more senior team members where this experience is lacking. We constantly assess best practice in this field to ensure our approach and policies are appropriate - and in particular we engage actively with our counterparts in our partner Universities under the CCF funded MICRA project.

The Commercialisation Team adopts a portfolio management approach to ensure that the team is prioritising its efforts on the most promising projects and to review successes and failures. The Team's overall targets are focussed on the University's performance under the HE-BCI metrics and individuals have annual deal targets. Key metrics for the Team focus on income (deal values) and spinout success (e.g. investment secured).

Over the past two years we have coalesced and clarified our policies and processes for commercialisation and now two policies have been adopted by the University – an IP Commercialisation Policy and a Spinout Policy. These policies have two main aims:

- 1) To clarify the University's approach and thus raise awareness in the academic community of the possibilities for commercialisation. The adoption of the policies has been followed by more targeted training.
- 2) To better incentivise academic staff to get involved in commercialisation. The revenue-sharing policy has been adapted, for instance, to ensure that inventors get a share of income much earlier in the process.

At the same time as implementing these policies, we have been able to fill vacancies in the team leading to much greater capacity. Together, with signalling the opportunities for commercialisation across the University, these changes have resulted in a significant increase in interest in commercialisation amongst the academics – particularly with respect to spinouts. Between 2019 and 2021 we have had five spinouts to date, after a period of 7 years before that without any, and we expect to continue at a level of between one and three per year.

Development of KE skills, capability and /or culture

A strong focus of our KE strategy is ‘people development’ and as such the University is committed to equipping all academic staff, particularly early career researchers, with the motivation, skills, knowledge, and resources to create impact from their research. The support and training offered to academic colleagues aims to encourage the diversification of income streams, and to develop and grow partner and peer networks and collaborations. We aim to develop experiential opportunities for our students and graduates through placements, sponsored research and to raise the international profile of the expertise and facilities available at the University. Engagement in this area is supported by ADEs and members of staff from the Research and Enterprise Office and this is measured and reported on quarterly based on the number of applications and awards being successful and the level of engagement with academic and non-academic partners.

Our Loughborough Enterprise Network (LEN) ecosystem delivers enterprise and entrepreneurship education within academic studies and outside of the curriculum (through Academic Schools, our Students’ Union and Careers Network) for the purpose of supporting the student experience and increasing graduate opportunities. We measure our progress with a focus on levels of student engagement (e.g., targets set for the entire ecosystem per annum, circa 2000 students, as well as per each individual intervention, e.g., 30 students and graduates took part in our most recent initiative, a brand-new Freelancer Programme for creative entrepreneurs) and the increase in this year-on-year, as well as through our Graduate Outcomes Survey responses which evaluates the number of graduates that have gone on to develop and run start-up businesses or be self-employed out of the University.

Our award as Outstanding Entrepreneurial University (2019) is testament to the significant investment the University has made in the new enterprise ecosystem – where enterprise has been embedded in academic Schools, at senior management level, and as part of the student experience. The judges commented that Loughborough University was a “worthy winner” because it took “a truly holistic approach” to embedding entrepreneurialism in the work of staff and students.

Our recently launched business incubator, LU Inc., brings together graduate start-ups, academic spinouts, and external high-growth knowledge-based businesses to create a community benefiting from one-to-one support, coordinated training, and mentoring and access to an enhanced ecosystem of advisors, investors, and innovation partners. Building a critical mass of businesses supported by the University has facilitated stronger connections with supported businesses and better enables us to monitor and track their progress and opportunities for knowledge exchange as they emerge. LU Inc. maintains close working relationships with physical and virtual members, for example, graduate businesses are supported through our flagship ‘Studio’ programme. Graduates are chosen following rigorous selection processes and gain access to intensive business training and workspace provided over 24 months. Throughout this process, participants maintain frequent and close contact with LU Inc. staff who measure their progress

against monthly milestones, and then monitor outcomes for these businesses beyond the programme. Additional opportunities for knowledge exchange, including potential research collaborations or recruitment of other students or graduates are also identified, signposted, and the outcomes of these connections monitored. LU Inc.'s role is also to seek opportunities to increase enterprise-related opportunities for students and graduates, increase the numbers of businesses engaging in knowledge exchange and help strengthen regional and national economic performance. With this in mind, LU Inc. will be expanding its facilities and open a second space in Loughborough Town Centre, which will initially be focussed on providing training for local residents to develop new, knowledge-based businesses and to facilitate a pipeline of local SMEs to connect with the University. This initiative is being run in collaboration with FE provider Loughborough College and is intended to open up future opportunities for knowledge exchange. Participation in national industry networks including UK Science Park Association (UKSPA) and Centre for Entrepreneurs enables LU Inc. to benchmark its support. LU Inc. will also be developing a regionally focussed 'Incubator Managers Network' to share good practice across nearby equivalent institutions.

Over the past two years we have had access to an Entrepreneur in Residence funded by the Royal Society. This has been a tremendous success in terms of raising understanding of entrepreneurship both in the academic community and in the Commercialisation Team. We plan to use HEIF resource to build on this positive experience and extend it by building a Mentor Network of experienced entrepreneurs who can guide and advise interested academics and graduates.

Investment in the Partnership Development and Commercialisation teams and the employment of an entrepreneur in residence has led to increased KE activity over the last two years. Support requests coming in from academics and external organisations have been steadily rising despite COVID related disruption.

Regional growth and public engagement

LUSEP, one of the UK's largest university science and enterprise parks, attracts significant inward investment and provides a dynamic innovation community for companies. With grow-on space, flexible multi-occupancy buildings and development plots, LUSEP provides future-proofed accommodation for knowledge-based organisations. A progressive gateway policy facilitates partnerships for economic prosperity spanning early-stage and fast scaling start-ups, national public sports organisations and global R&D operations. The new incubator "LU Inc." is developing a vibrant ecosystem of graduate start-ups, academic spinouts and spin-ins, with clusters in energy and low-carbon technology, design, sport, and health and wellbeing. Many of these organisations have been supported to attract significant investment and are being shortlisted for many awards, e.g. Alcuris, a Loughborough University graduate start-up that has been shortlisted twice in the Leicester Live Business Awards: for Excellence in Science and Technology and as Business Entrepreneur of the Year (Alex Nash). Alcuris has also been named as Healthcare Organisation of the year in the 2021 British Data Awards. Previsico, a Loughborough University spinout company launched in 2019, has won as Innovation of the Year in the 2021 British Data Awards.

HEIF funded staff are supporting the development of Pavillion 4 at SportPark with a focus on working towards the government's low-carbon agenda, in particular towards achieving Passivhaus certification for the build. Ultimately the success of this project will be evidenced by the creation of 150+ jobs and the support of an additional 10+ businesses,

enhancing the cluster of sports National Governing Bodies (NGBs) we have on our campus already.

Success in this area is measured by monitoring tenant engagement with the University research base, in terms of income, engagement with research projects, placements, and student recruitment. We have also seen an increase in tenant-to-tenant engagement since the inception of the Science park, and the University is committed to facilitating a strong peer-to-peer network of businesses on-site to support the government's local growth agenda. Our gateway policy has recently been amended to include sector-focussed organisations that can proactively provide support to our LUSEP community.

The MIT Regional Entrepreneurship Acceleration Program (REAP) is a capstone global initiative, which helps regions accelerate economic growth and promote social progress through innovation-driven entrepreneurship (IDE). The Leicester and Leicestershire LEP (LLEP) has led an activity through REAP seeking to grow Leicestershire's economy by 5-10 percent within 5 years and to create a high-performing and inclusive economy, in which a more advanced and innovative manufacturing sector plays a strong role within a thriving R&D community developed around existing and emerging clusters.

Loughborough collaborated with the LLEP, De Montfort and Leicester Universities as well as SMEs, corporates, and the British Business Bank to develop a strategy to achieve this outcome – now embedded in the LLEP's Economic Recovery Plan. This plan has its own set of KPIs and Loughborough is responsible for delivering the Innovation Strand based on the pivotal role played by staff in the REAP project, over the next 12 months. Overall, the region recognises that higher growth will come from harnessing the exciting opportunities in Leicestershire's science and technology community (including LUSEP) and leveraging the high potential opportunity through sustained investment. This programme is enabling us to access a much broader range of innovative companies to collaborate with. Our success will be evidenced by increased levels of public and private investment and use of technology among SMEs, and by a greater engagement with local universities for R&D.