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Committee for Enterprise, Trade and
Investment

OFFICIAL REPORT (Hansard)

Small Business Research Initiative:
Technology Strategy Board Briefing

8 November 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Patsy McGlone (Chairperson)
Mr Phil Flanagan (Deputy Chairperson)
Mr Steven Agnew
Mr Gordon Dunne
Mr Alban Maginness
Ms Maeve McLaughlin
Mr Stephen Moutray
Mr Robin Newton
Mrs Sandra Overend
Ms Sue Ramsey

Witnesses:

Mr Stephen Browning	Technology Strategy Board
Mr Brian McCarthy	Technology Strategy Board

The Chairperson: Before the Committee today we have Mr Stephen Browning, head of the Small Business Research Initiative (SBRI) and the Small Firms Merit Award for Research and Technology (SMART) programme, and Mr Brian McCarthy, relationship manager. You are both very welcome; we look forward to hearing from you. You are probably well used to the format, but, to explain, we will give you the floor to explain where you are coming from and to give us a few examples. We will then take questions from members. The floor is yours.

Mr Brian McCarthy (Technology Strategy Board): Thank you, Chairman, for the opportunity to come here today; we really welcome it. I hope that it will be a fruitful discussion. We were invited to make a short presentation, which we thought would be helpful.

My colleague Steve Browning looks after the SBRI programme, and I am relationship manager. That means that I look after our relationships with Northern Ireland and with the other devolved Administrations. Hopefully, you will have had a chance to look at the paper that we sent over. We thought that it would be useful to give a brief overview of the Technology Strategy Board (TSB), who we are and what we do. We will then focus more on the SBRI programme, how it works and how we will work with Northern Ireland on this.

We have seen the Committee's report and the recommendations. We welcome those, particularly the references to closer working with the Technology Strategy Board and the specific reference to SBRI, which is a very positive step forward.

Who are we and what do we do? The Technology Strategy Board was set up in July 2007. The simple way of putting it is that we were spun out of the old Department of Trade and Industry (DTI) in Whitehall. We were the bit of DTI that used to do its innovation programmes. However, a decision was made, in about 2006, to move us from DTI to a separate agency with a business-led board comprising business leaders, academics and research experts who understood the technologies on which we were focusing. We are based in Swindon, but we cover the whole of the UK. It is worth noting that we do not have people on the ground; we do not have teams of people across the UK. We made a virtue of working with and through the organisations that are already there. When we start to talk about some of the things that we are involved in, you might think that that is what the Department of Enterprise, Trade and Investment (DETI) or Invest NI do. There are some parallels, but we work very closely with and through them to align our programmes and activities. We work with DETI, Invest NI and also with MATRIX.

We have good links with the two universities here, Queen's and the University of Ulster, and with the Northern Ireland Science Park. We are keen to build our links with businesses. There are some that we know well. We have good links with businesses such as Bombardier and other large companies. However, we are looking to extend — and build — our links with small and medium-sized businesses (SMEs). We directly support about 6,000 businesses, and we interact with probably about 70,000 or 80,000 across the UK, so the numbers are fairly large.

Our role is about promoting innovation and supporting innovative business. As our submission states, we are the UK's national innovation agency looking to accelerate economic growth by stimulating and supporting business-led innovation. It is about economic growth. We get very excited about the technologies that we deal with but, ultimately, we are there to help the UK economy and not least the Northern Ireland economy.

Our role is to support innovation. We do provide grants — that is probably what we are best known for — of all types to all sizes of business from small start-ups to major corporations. We have shifted the focus of our funding. When we started, a large proportion of our funding went to large companies. However, we have moved that, quite consciously, to the point where 60% to 70% of our funding now goes to small and medium-sized enterprises. We are about grants, but we do much more than that. It is about connecting people. It is about joining up. It is about having networks. It is about the whole area within which innovation takes place.

In our submission, you will see a colourful chart indicating the main areas that we invest in; they are probably the ones that you would expect. The bulk of our funding goes into the boxes at the top: energy, construction and the built environment, food and sustainable agriculture, transport, healthcare and life sciences; high-value manufacturing and digital underpin also pretty much everything that we do. There are other areas such as advance materials, ICT, electronics, photonics, and bioscience. There is a very close correlation between the areas that we focus on and where we are investing our funds and the areas that I know are particularly important to Northern Ireland. Those are the ones that were flagged up in your economic development strategy: life and health sciences, agrifood, and so on. There is a clear read-across between the two; it is a very close alignment.

We have a number of tools in our tool set for intervening with businesses. I will not go through all of them now, but I will pick up on a couple. There is the SMART grant for small businesses that have a good idea that they want to develop and take to market. There are parallels between that and the scheme that Invest NI runs. That is very much for small businesses. There is collaborative R&D, where we put quite large sums of money — perhaps £5 million or £10 million — into a particular technology area. That could be advance materials or something around digital. We invite collaborations of businesses, with universities also possibly involved, to bid for it.

However, the one that we particularly wanted to talk about today is the SBRI, which has been going successfully for two or three years, and we would like it now to take off in Northern Ireland. We feel that the profile of businesses here, and how government works here, makes Northern Ireland the perfect ground for SBRI to take off. We feel that it would be good for businesses here and for the public sector organisations that sponsor it. At this point, I turn to my colleague Steve, who runs the programme, to say a bit more about it.

Mr Stephen Browning (Technology Strategy Board): Although SBRI is a tool set that we use in the Technology Strategy Board, it is not our tool set; it is a pan-government process that can be used by anyone. We support it and promote its use, but it is actually used by Whitehall Departments, regional government organizations, etc. Its purpose is twofold.

First, it is about finding challenges that the public sector has and to which there are no solutions, or solutions that are somehow inadequate, and finding solutions to those challenges through innovative technology. Therefore, it starts from a public sector challenge. For example, in the NHS, there is an issue with healthcare-acquired infections such as MRSA. A way of addressing that is to improve the hand hygiene of doctors and nurses. That could be a challenge that SBRI addresses.

We then take that challenge through the process and express it in a way that could be addressed by any sector of industry. We look for novel ideas to address it. We run an open competition in which industry can submit ideas. If they are successful, they can be supported to develop the idea through an R&D contract. That brings us to the second primary purpose of SBRI, which is to drive economic growth through innovation in industry. Therefore, by providing an R&D grant, a company can develop its technology to the point that it can commercialise it, build a business around it and drive growth. That is the simplistic view of how it operates. I am not going to go through each slide, but that is an overview of how it works.

We recognise that local involvement in SBRI competitions is heavily driven by local competitions. For example, in Northern Ireland, which was the first devolved Administration to run an SBRI competition, when the Northern Ireland Tourist Board ran a competition, it got many more applications from local businesses, and, as a result, the winning companies were more heavily represented by local businesses. Therefore, it is important to consider that if you run a competition locally, you get much more interest and can, therefore, drive the local economy much better. That is something that we have also seen in competitions run by regional NHS organisations in England and Wales.

We would like to see more SBRI competitions run in Northern Ireland, and we welcome the recommendations made by the Committee beforehand. Along those lines, we have been working with DETI and the Department of Agriculture and Rural Development on a potential SBRI competition. We will be in discussions with them later this afternoon to address the issue of nitrates and poultry litter in the region. That is an important area that we hope will result in an SBRI competition, but it is not yet at the stage where we can say that it is definitely going ahead.

You have seen the case study for Radox, and there are other good examples of local businesses that have benefited from SBRI. Another one, which again came from a competition run by the Northern Ireland Tourist Board, is My Tour Talk. That company created a product to help tourism in Northern Ireland, and it is spreading to other tourist centres. That company is bringing investment here from work across the globe.

That is where I will stop and allow you guys to ask us questions.

The Chairperson: Thanks very much indeed for that.

Mr Moutray: Thank you very much for presenting to us this morning. From what I have read in your paper, the issue seems to be about raising your profile in Northern Ireland. You said that you work with about 6,000 businesses across the UK. What percentage of those businesses is from Northern Ireland? How are you finding working with the Department? Is it proactive in helping you to raise your profile?

Mr B McCarthy: Engagement varies significantly from programme to programme. I will not go through them all, but I will give a couple of examples. We have a knowledge transfer partnership (KTP) programme, which is about putting postgraduate students into work with a business in an area of particular interest and thereby helping to build links between that business and the university so that they can feed off each other. Northern Ireland is well represented in that programme, and Queen's is probably the most successful university in the UK when it comes to the number of KTPs.

Northern Ireland is less well represented in other programmes. On balance, probably between 2% and 3% of our funding goes to businesses in Northern Ireland, but it varies from programme to programme. It should be higher, and we would like to see it higher. We would like to see many more businesses benefiting from the programmes that we run.

We are, as I said earlier, conscious that some Invest NI programmes are similar to some of ours, and we are not looking to get into competition, so there is not a great take-up of our SMART programme in Northern Ireland. Frankly, your programme here is probably funded very generously compared to what we have in the rest of the UK, so we are not looking to get into competition. Overall, however, we would like more businesses to be aware of what we do and to access our programmes.

When it comes to working with the Departments here, DETI has been extremely supportive. Both sides would probably say that we got off to a slow start. We have been going for five years, but not much happened in the first year or so, partly because we were getting ourselves together. It took a little while to build contacts.

However, where we are now with DETI and Invest NI is extremely positive. I am meeting DETI colleagues after this meeting, and tomorrow I go to Invest NI. It is a good relationship, but we want to turn that positive dialogue into successful interaction for the good of businesses here.

Mr Moutray: You said that you do not have feet on the ground here. Are we disadvantaged by the fact that you do not have a presence here?

Mr B McCarthy: My point was that that is our general approach. We do not have a local presence throughout the UK. The Scottish Government keep pushing us to put someone in Scotland. The time may come when we will look to have a local presence, but we have not done that traditionally, partly because from the outset we wanted to make a virtue of building links with existing organisations and working with and through them. There is a slight danger that if we put people on the ground, it might result in competition between them, which is not where we want to be. We would not rule it out, however. It is possible that, at some point, we might look to have a local presence. We just have not done so up to now.

The Chairperson: I want to pick up on what Mr Moutray is developing there. One of the key elements is to determine what you do that the Department does not do. That is aside from the complementarity issue that you talked about, because you say that you have good links with the Department here. What resources or facilities could you provide that the Department does not? That is the first thing that springs to mind.

Mr B McCarthy: The main thing is that we have the programmes and the resources to back them up. We have mechanisms through which we can interact with businesses, whether SBRI or collaborative R&D. We have those offerings; we want to work with local partners to determine how we can get them out to the business base to raise awareness of those programmes. It is about finding ways of doing that.

There is another side to it; it is not just about programmes. We work with Invest NI and DETI on the strategy and approach and on how things are working. We are talking to DETI about its proposed innovation strategy and how that might shape up. We are talking to Invest NI about how we can get some of those offerings out to businesses more efficiently. There is a broader discussion around that as well. It is not just about getting our programmes out there; it is about how innovation works and what we can do collectively to improve it.

The Chairperson: I will boil it down to a nutshell. We heard some of the details of the Executive's announcement this morning in the media. Were I a business person who had an idea for a new business project or to grow my existing business and, although someone mentioned yourselves, that was as much as I knew about you, what could you offer to a good, innovative project that ticked your boxes? How would I know what boxes I might tick with you? That is where we are coming from. In other words, why would a business person turn to you?

Mr B McCarthy: Because we have funding and resources available. Let me explain what we are trying to do with our programmes. When we inherited them from DTI, they were all over the place. There was a programme here and a programme there, and you had to be a particular type of business to go for a certain type of programme.

We are looking to move to what I would describe as an escalator of support. Wherever you are, whether you are a small start-up, an SME that has a good idea and has been going for a year or two, or a large corporation, the chances are that there is something that we do that will help you.

The old chestnut is that the UK is great at inventing things but not so good at bringing them to market. We try to bridge that gap through our range of interventions. We hope that any business that comes to us, looks at our website to see what is available or, perhaps, is put in touch with our programmes through one of the Invest NI advisers, will find an appropriate package of support to meet their needs.

The Chairperson: Therefore, really, the avenue is through Invest NI.

Mr B McCarthy: And other sources as well, yes. We are keen to build links across the piece. I am going to the Northern Ireland Science Park immediately after this meeting to talk to the people there who have been extremely supportive in helping to spread awareness of what we do. In truth, there are probably many other bodies to which we should be speaking. We are keen to explore those avenues as well.

The Chairperson: We will probably come to that in our concluding remarks in a moment or two.

Mr Newton: I had some contact with a couple of your colleagues who have been here over the past number of months. Like the Chair, I am just a bit confused as to where SBRI sits alongside all the other support mechanisms. I want to ask a number of short questions. If I describe it by saying that SBRI starts with existing problems being faced by public sector bodies and articulates those through a procurement process, with solutions being procured rather than existing products or services, is that correct?

Mr Browning: That is a partial summary of how it works. The critical thing for a company, when it is developing a novel solution, is to have what we call an innovative lead customer, who can help it develop its particular offering to fit the needs, can validate that offering and then provide a route to market. That is a model that has been seen in industry for many years now, so a company that needs to gain innovation will talk to and try to work together with its supply base to generate the innovation. What we are trying to do is take that model and put it in the public sector as well, so that, where the public sector has challenges that need innovation, it can act as an innovative lead customer to companies, through a mechanism like SBRI, work with those companies through an R&D contract, help them understand what the problem is, develop the problem, then fit the solution and validate it in such a way that that solution could be bought by the public sector, if it is an operational need, or spread globally, if it is more of a policy-supporting objective. On the Northern Ireland Tourist Board project, for example, it helped the company to develop the concept. That particular item can then be promoted by the Northern Ireland Tourist Board, but it is something that can be used in other tourist markets around the world, so it is acting in that co-design-type capacity to help to generate the idea, develop it and provide a route to market at the end.

Mr Newton: I am sure you already know this, but Northern Ireland is a small-business economy. In fact, many people would describe it as a microbusiness economy, certainly in European descriptions. Surely, one of the building blocks for your success is to engage with SMEs? I am not aware of any formal engagement that there has been, through any of the business channels, with the SME sector in particular. Are there plans to do that? How will you ensure that SMEs in Northern Ireland are fully aware of your activities, and how do you intend to make them aware of the procurement processes of the public sector bodies? What is the strategy for that?

Mr Browning: Mechanisms such as SBRI and SMART heavily engage SMEs. We see SMEs as a key driver of innovation.

Mr Newton: I understand that that is an objective, but what is the mechanism? How are you doing that at the moment in Northern Ireland?

Mr Browning: The mechanism that we use to reach out to those potential applicants is through local organisations and local networks. We do not interact directly with the businesses but try to use networks that will address as broad a base of potential applicants as possible. We go through colleagues in DETI to promote competitions. We use other networks, such as science park associations, to promote to their members. One reason why we do that, rather than trying to target individual businesses, is because you never know where a good idea is going to come from. I mentioned the hand hygiene competition earlier. One of the solutions that is being worked on comes from a physics company. It generates a thing called a non-thermal plasma, which is a gas that is ionised and has biocidal properties, and builds that into something that looks like a Dyson hand drier. That company was only a four-person company. It would never have been able to engage with the NHS unless there was a process like this to help it. Likewise, the NHS would never have found the company. It is about putting the problem in a way in which anyone can understand it and can see how their particular ideas fit to addressing the problem. They can then apply to the competition and identify themselves. It is an easier path for them to engage with a public sector body that would procure the innovation and, hopefully, procure the product at the end.

Mr B McCarthy: It is probably worth pointing out that as well as working through the organisations that are here, we seek to get involved in local events. A steady stream of our colleagues, from our chief executive down, come over fairly regularly to take part in events. Sometimes, we co-organise those events with Invest NI and others. In the past few months, we have had a space event over here, and we did one for sustainable agriculture and food and one for sensors. We look for those opportunities to come over and to be involved.

We also work with MATRIX quite closely, with some of its panel work that goes on. I am not pretending that it is perfect; I am quite sure that we could do a lot more. We are working hard to try to build those links.

Mr Newton: One of the tools that you mentioned was collaborative R&D. The Committee produced a report on R&D a number of months ago. In fact, we will discuss that report later. Are there any examples of collaborative R&D with SMEs that you might use as good case studies?

Mr B McCarthy: There are lots. The one that I thought I might flag up does not actually involve an SME. We have quite a major programme going with Wrightbus and various other companies here. That is the one that I brought with me. There are quite a lot of case studies. Much of what we have done in Northern Ireland on collaborative R&D has been, in truth, with the larger corporations, such as Wrightbus, Bombardier, and so on. Quite large numbers of smaller companies are involved in that as well. It is a very open process. In fact, some of the programmes that we run under that heading are specifically aimed at SMEs. It is open to businesses from across the UK. It is going to work only if businesses here are aware of the programmes and know how to access them.

Mr Newton: I am very supportive of the idea. However, you have a problem with raising the awareness level in Northern Ireland.

The Chairperson: I am sure that if we were to do a vox pop of small businesses — all of us here have dealings with them — very few of them would know of your existence. You are probably hiding yourselves and your good work under a bushel. It will bring us on to what the Department is doing with you here to promote that good work and the resource that you undoubtedly have.

Mr Agnew: Thank you, gentlemen, for the presentation. Mr McCarthy, you said that 60% to 70% of your grants were to SMEs. Is that the number of grants or the proportion of your overall grant spending?

Mr B McCarthy: Our overall spend. Of the funding that we have, somewhere between 60% and 70% now goes to start-ups and small businesses. That is partly because we have made our offerings easier for small businesses to access. We have more offerings to help small businesses, and we have proactively promoted ourselves to that sector.

Mr Agnew: Mr Browning, coming to the SBRI, you described how a competition looks for an innovative product to provide a solution to problems that exist. When we held our inquiry, we found that part of the problem for small businesses and, as Robin said, in many cases, microbusinesses is that they do not engage in that type of innovation. One of the things that we looked at was how to get them to that stage. It seems that that model is going to attract companies that are already involved, to some extent, in innovation. That is not to say that that is a bad thing. This may be in another programme in the Technology Strategy Board, but how do we get those micro, small and medium-sized enterprises that do not engage in research and innovation involved and support them so that they can, maybe further down the line, become the sorts of companies that can take part in such competitions?

Mr Browning: You are right. As it is a mechanism to drive the development of technology, only companies with some ability to drive R&D will go forward. That is the purpose of the scheme, and it would not support non-technology-based small companies. We recognise that, and that is not the intention of the scheme. The intention is to drive technology innovation.

Mr Agnew: Are there other schemes in the Technology Strategy Board that look at that problem? I appreciate that the SBRI is not seeking to achieve that, but are there other programmes that seek to move those companies that could be engaging in research and development but cannot do so because of their capacity or because of a lack of ability to donate the time to it or to see the benefits to

it? How do we help them? Part of how we grow our micro and small businesses is about getting them to engage in that way.

Mr Browning: I will come back to what I said in answer to your previous question. If a company is engaged in some sort of product creation or product sales, a mechanism such as SBRI could be usable for them to engage in further innovation because it supplies an R&D contract that is 100% funded. Quite often, you find that the restriction to putting the investment into driving innovation and creating future products is that a company is so focused on its existing product and its sales that it cannot afford the time and effort to work on the future products. A competition such as this could make them think that they could develop something without having to invest their own money but keep it for their existing product line. They can now investigate a possibility, get the support to deliver that and develop the future products. That can drive companies to take innovation steps. It can also create start-ups. Individuals think, "I have an idea for that, and I can spin out a new company, apply to SBRI, take initial investment, which I do not have from any other source, develop the idea through and build a business out of it." It can, therefore, create completely new companies that are innovative.

Mr Agnew: I have one final question. Is the way that that money can be spent restricted? Does somebody come with an idea and say that they will need to employ more staff, for example? In that circumstance, what evidence would they need to give to you so that they can get the final product that you are looking for?

Mr Browning: In its simplest form, it is a contract to deliver an R&D service. It is not like a grant scheme where we say that certain types of costs are eligible and others are not. They come with a proposal and a bid and outline what they will do and how they will do it. It is up to them to define how they do it. They can employ new staff to do it or subcontract to a university for some innovation side and build the business afterwards. It is really up to them. If they get the contract, it is a fixed-price contract to deliver that innovation. It is fairly flexible.

Mr B McCarthy: Can I come back on your question? Your point is well made. It can be quite difficult, particularly for new start-up businesses, to access our programmes, and the key thing is to get them on that ladder and into the process. That is why we have increasingly done what we call feasibility studies, which are fairly small-scale, simple projects, typically of £15,000 or £20,000, to help businesses to develop their ideas. In a lot of our programmes, many more of those feasibility studies are going on, and the whole point of that is to start to draw in those businesses, with a fairly simple application process and a fairly fast turnaround, so they can get started and can progress along that ladder.

How do we get more businesses into that? It is not just a Northern Ireland problem but one that exists right across the UK. One issue for us is businesses that are not even ready to access a feasibility study or a grant of that sort. We are starting to look at what we can do to help those businesses, because there is quite a percentage of businesses that are not even at that stage. We feel that there should be some sort of provision for them. We are not quite sure what the answer is, but we certainly recognise the problem.

Mr A Maginness: Welcome, gentlemen. I had an opportunity to meet the TSB some months ago when I was Chair of the Committee. I thought that that was a very fruitful engagement in trying to understand what you want to do here. It seems to me that you are on a mission and that you really want to penetrate the market here. You see this as an area that is dominated by SMEs and where you can be of great assistance to small companies in particular. Yet, the penetration is not happening, and the take-up is not there. There is significant take-up from businesses that are dealing with schemes in Great Britain, yet the same is not going on in Northern Ireland. Can you explain that? In other words, where is the weakness in the system? It seems to me that a lot of this is government-procurement-centered.

Mr Browning: There is certainly enthusiasm for the concept of something such as SBRI. We see that here and in other areas. There are probably a couple of issues that prevent people from taking it up. The first is risk aversion to taking up a new process, particularly among procurement professionals, where they are providing a service to an organisation. They ask themselves how they will take up a new process that is all about innovation, which they are not au fait with. Their normal day-to-day business is driving cost reduction, not delivering that sort of thing. Mechanisms to help overcome that risk aversion are necessary, and one good mechanism for doing that is to have a pot of money that they can draw on to encourage them to take those risks.

Secondly, quite often, we see that, because SBRI comes under procurement directives, people see it as a pure procurement tool. It is not. It is actually a strategic tool, so the people who need to be persuaded are more the policymakers or the innovation parts of the Department. They see what the future need is and what they need to develop, and it is they who —

Mr A Maginness: I understand the point that you are making. Where is the initiative supposed to come from? Does the problem lie in government here, or does it lie with the small and medium-sized businesses? Is it that government is not reaching out to those businesses and saying that this is a route towards innovation in procurement that they should take?

Mr Browning: For me, the first step is always getting the competition run, and that requires government to say that it will try to address a particular problem with a mechanism such as SBRI. Once you do that, it is a lot easier to go to industry and say that this is an opportunity for them, where they will get 100% of their R&D paid for, where they will be interacting with a lead customer who can help them to describe and validate what they are trying to do and where they will have a potential market straight afterwards. That is a really easy sell to industry, but it starts at the government side. It requires the encouragement of Departments to take up this process to address their challenges.

Mr A Maginness: So, essentially, Departments have to go out into the marketplace and say, "Look, we have a problem here, and we need it solved. You have ideas, and we would like them submitted to us." That is the sort of process that you want to encourage.

Mr Browning: That is the sort of process that we want. However, they do not have to reach out to industry themselves; we are here to help them.

Mr A Maginness: You will do that.

Mr Browning: We are here to help them describe the problem in such a way that means that it can be open to anyone.

Mr A Maginness: I do not want to interrupt you again, but there is a need, then, for greater connectivity between Departments and TSB.

Mr B McCarthy: I think that the real need is for Departments to understand what SBRI is and how it can help them. They can come to us and say, "Here is our challenge and our problem. We would like a much better and more cost-effective way of doing this." — whatever "this" is. They can further say to us, "We would like a more cost-effective way of doing that.". If they say that to us, we can look at the challenge and articulate it in a way that businesses will understand. We do not attempt to say to businesses, "The solution that we are looking for is like this.". We just say, "Here is the challenge.". We can then work with the Department to articulate that and put it out to the business community through our various networks and those that exist in Northern Ireland. Businesses will then, hopefully, respond to that. A business will see that and say, "I have something.", "I have an idea." or "I have the technology that could address that.", and then we are in business.

Mr A Maginness: Until this point, Northern Ireland companies have been working to try to address some of those issues on a UK-wide rather than a Northern Ireland basis.

Mr B McCarthy: All our challenges are open to all businesses across the UK. We have run 115 competitions or thereabouts so far, and they are all open to businesses right across the UK. Even if a challenge comes from a health authority in the east of England, businesses here could respond to that.

Mr A Maginness: Has there been a reasonably good uptake here?

Mr B McCarthy: It has been reasonably good, but we would like to see a higher uptake.

Mr A Maginness: Thank you very much, gentlemen. That was very helpful.

The Chairperson: Picking up on that point, it seems that we have all that potential here but, as you say, the uptake could be better. I just hope that it is.

Who takes the first step here to get a more joined-up approach to the work you are doing? I am trying to figure this out in my mind. Should it be done cross-departmentally? Departments have big budgets and ways of doing things. Invest NI has a client base that is coming up, almost day and daily, with new ideas and new businesses. Some of those clients are coming up with new ideas for Department of Agriculture and Rural Development projects, for example.

There has to be a raft of huge potential that is, as yet, untapped — perhaps "unchannelled" is the word to use. How do we initiate that and take it forward in a co-ordinated manner that uses all the resource that you have at your disposal and all the ideas that we have and that are in our remit so that this can reach its absolute potential? That is what needs to happen, particularly in these difficult times. Do you have any ideas about that? I have a few in mind, but what is your experience of the best way to do that?

Mr Browning: So far, we have managed to grow the scheme by trying to find and evangelise particular people so that they will take it up. That is a slow process.

The Cabinet Office is now asking Whitehall Departments to put into their plans on engaging with SMEs any opportunities that they see for SBRI. A central leadership-type push to identify the challenges that fit and then to take those forward is extremely helpful in getting this going. We can then come in and help those Departments that are saying, "We need to do this, but how do we actually do it?". That is the next step. They are asked to do it, but they do not know what to do. That first step of leadership saying, "You need to do this.", is really how I see the scheme growing.

Mr B McCarthy: I think that senior level buy-in is the key ingredient. That is what makes all the difference. We can achieve only so much by knocking on doors and giving our spiel. If we come across as double-glazing salesmen saying, "Buy this because it will be good for you.", we will never make good progress.

It really works where you have senior level buy-in. I should give credit where it is due and say that David Sterling has been very supportive of this. He understands it. I know that he has been talking to some of his colleagues about it, and that is extremely helpful. That is one of the reasons why we were greatly encouraged when we saw the recommendation in your report that said that this process is something that we should look at seriously. That demonstrates that it is now coming down from the top. It is not us coming from outside with something that people do not really understand and are not familiar with, and so on. If it is coming from that level down, it can really start to have an impact.

The Chairperson: It has been suggested that, to add a wee bit of focus to this matter, the Committee should table a motion to the Assembly about it. What do members think of that idea, given that we are discussing things?

Mr Agnew: I would certainly support that, Chair.

The Chairperson: OK.

Mr Dunne: I think that all the questions have been asked, Chair.

The Chairperson: I will just tidy up this wee bit here. Will the Committee table a motion on this topic?

Members indicated assent.

The Chairperson: I will leave it for the Committee Clerk to come up with a draft wording, and we will agree it with members.

Mr Dunne: Thank you very much for your presentation, gentlemen. I think that you answered most of the points that I intended to raise. How many staff do you have in your organisation? I understand that it is based in Swindon.

Mr B McCarthy: It is around about 200 staff, give or take.

Mr Dunne: So, it is a sizeable organisation to communicate —

Mr B McCarthy: We cover the whole of the UK with that.

Mr Dunne: Yes, I understand that.

Mr B McCarthy: That figure includes everyone from our receptionist to our chief executive.

Mr Dunne: Yes. Obviously, and you have to travel and all the rest of it. So, you obviously use other organisations, such as Invest NI and DETI to signpost your organisation. Is it fair to say that? Are they out looking for business opportunities for themselves, obviously, while signposting people to you? Is that often the case?

Mr B McCarthy: We certainly hope so. We make sure that they are aware of the offerings that we have, and we hope that those get shared with their staff and that their staff bear those in mind when they go out.

I am conscious that the issue of our profile has come up once or twice. Perhaps it is worth saying that I wonder whether one of the issues is that, partly — and I do not mean this in a negative sense, simply in a factual one — we are a bit in the shadow of Invest NI to an extent. It is doing a good job, and it is out there and talking to businesses. It has a number of programmes, and, as I said, there are some overlaps between what it does and what we do. The last thing that we want to do is to get into competition with it. However, I wonder whether that is one of the issues that we have, because Invest NI is there and is visible. It has a very high profile, and we are slightly behind it and in its shadow.

What we hope happens is exactly what you said, which is that people are going out who are aware of the portfolio of our programmes and products. We hope that they have them in their briefcases as well and that they bring them out and share them with companies where appropriate. I am sure that many of them do. My guess is that it is probably slightly patchy. It probably works better in some technology areas than in others, but I do not know.

Mr Dunne: You are very much aware of the inquiry that we held into SMEs and their access to funding for R&D. One of the big lessons that we learned was about European funding and the difficulties that SMEs have in getting access to that. What about your organisation? Is it much smarter? In comparison with the processes that are required to get access to European funding, is it easier for you to get access to that? It is impossible for SMEs to go through that process, so they do not do it. As a result, they do not get access. Do you feel that your organisation is much smarter and easier for SMEs to work with? Is it less bureaucratic than the systems that are in Europe?

Mr Browning: I believe that we are. At the moment, I have the privilege of also working with Europe on a particular competition and running those same issues, where I am effectively the recipient of a grant to run a project. So, I see all the bureaucracy that goes with that, and I do not see the same level of bureaucracy that we are imposing.

However, we are always looking to improve on that. We are always aware of what SMEs have to go through. The vast majority of our people in our organisation are from industry, so they understand what companies have to go through and how they operate. For SBRI specifically, the feedback that we have had has, on the whole, been very positive about the ease of filling in the application form, interacting with that side of things and the support that then goes through once a project is running. So, although the feedback is limited, it has been positive. As Brian said, I am sure that we can always improve, and we are always looking to.

Mr Dunne: I see that you have supported a number of organisations and manufacturers in Northern Ireland, such as Bombardier Shorts. What sort of input have you had?

Mr B McCarthy: We have run a number of projects. Some of them actually go back to DTI days, and we have carried them on. Other new ones have come along. They are large-scale projects on various aspects of aviation and everything that goes with it. Sometimes, we have collaborations with other people, businesses and universities. Certainly, Queen's University Belfast has been involved, and I think that the University of Ulster has also been involved in those projects. So, around half a dozen projects are going on.

Mr Dunne: Does that mean that, basically, you partially fund that?

Mr B McCarthy: Yes. Most of what we do tends to be funded 50:50. It varies slightly from programme to programme, but generally it is 50:50.

Mr Dunne: OK. Thanks very much. I think that we learned quite a bit today. Thank you.

The Chairperson: Thanks very much, Gordon. Does any other member wish to ask a question? No. OK. Gentlemen, thanks very much indeed for your time. As you are getting a consensus from around the room, we will probably hear a lot more about you and inevitably from you, I hope, on more projects and businesses that are being generated in the North. Thanks very much for being with us today and for giving your time.

Mr B McCarthy: Thank you very much indeed, Chairman. We welcome your support for what we are looking to do.

Mr Browning: Thank you very much.