

# The Future of Research and Innovation in the North West

Unattributed summary of CaSE roundtable in collaboration with the Lancaster University on Monday 6<sup>th</sup> July 2020.

This roundtable discussion with participants from across Lancaster and the North West's diverse research and innovation community, including industry, academia and civic leaders, was convened to explore the distinctive role R&I can play in the North West to supporting prosperous communities. The strengths of Lancaster in R&I and the barriers to increasing research intensity were discussed.

This summary is not CaSE policy but will form part of our ongoing programme of work on the place agenda. CaSE are leading discussions across the UK to collect an evidence base on place-based R&I interventions and how different sectors collaborate to facilitate local economic growth. This follows on from the publication of CaSE's report 'The Power of Place'.

Summary of enablers and barriers of enhancing research and innovation in Lancaster

<b>STRENGTHS</b>	<b>CHALLENGES</b>
<ul style="list-style-type: none"><li>• Close relationship with local businesses</li></ul>	<ul style="list-style-type: none"><li>• Lack of resources for the local LEP</li></ul>
<ul style="list-style-type: none"><li>• Strong leadership from the university across a breadth of research, enterprise and engagement.</li></ul>	<ul style="list-style-type: none"><li>• Reaching the entire business community to support innovative activities</li></ul>
<ul style="list-style-type: none"><li>• Actively supporting graduates to enter the local job market and to retain talent in the region</li></ul>	<ul style="list-style-type: none"><li>• Potential loss of pivotal ERDF investment</li></ul>

## Intro remarks

Lancaster University is an anchor institution for research and innovation in the North West, straddling South Cumbria and Lancashire. It has a distinct character as a research-intensive university in a largely rural area with extensive links across the SME community and in increasingly supporting SMEs in the supply chains of regional corporates. The breadth of disciplines across the private sector and the university have fuelled the university's approach to collaboration, which is evidenced by the number of businesses that are co-located within the university.

The approach to research at Lancaster University is very much problem driven, embracing challenges and working closely with the private sector to solve these problems. The University has entrepreneurs in residence and the student body plays a significant role in collaborating with local businesses, particularly SMEs. This also means there is a greater chance of students staying in the local area after their graduation.

Access to European Union Regional Development Funds has been very important for the university and there is a need for the Government to replace these funds, whether through the Shared Prosperity Fund or otherwise. Perhaps owing to its rural nature, the region does not host a great number of large research-intensive businesses so it is crucial that innovative smaller businesses can be driven to succeed and grow.

## Reflections of the strengths and challenges for the region

Owing to the businesses in the region, it was felt that more funding for the uplift in R&I funding should go towards the 'I', supporting the diffusion of innovation which is so important for business growth and in helping to respond to the current pandemic. The local relationships that the university holds across the region are crucial in ensuring that the research sector can be coordinated in creating plans for how to maximise the outputs from research. The Made Smarter pilot scheme was an example of how local LEPs have come together to support businesses with upskilling and funding grants. It was unanimously agreed that efforts to increase research intensity in the North West should result from creating the best version of the North West, not seeking to replicate other areas of the country.

It was felt that the region had a significant number of businesses who are undertaking innovative activities but who would not consider themselves as innovative or try to access funding for innovation. A number of smaller businesses in the region have been successful in securing consistent support from Innovate UK, but it was felt that more needs to be done to showcase the types of business support that is available to allow more businesses to benefit. InnovateUK has been working with the Cumbria LEP to try and reach a larger number of businesses. It was agreed that not only is support for innovation required, but work was needed to increase the reach of support, rather than focusing on those companies that know how to effectively bid for research grants. Attendees noted that the now closed Business Link scheme was a useful resource in co-ordinating business access to appropriate support organisations and mechanisms.

It was said that the university has been very good at drawing investment to the local region and technology transfer partnerships with local businesses have enabled wider conversations about how the university can collaborate with these businesses. It was also noted that through its international campuses, Lancaster has an international reach and perhaps more could be done to capitalize on these links.

As part of the N8 Partnership, Lancaster has been able to be part of innovation industry forums with specific areas of interest which enables knowledge to flow between business and academia. These

knowledge flows are incredibly important to both building partnerships and directing research, but it is incredibly difficult to get funding to support these activities. These activities carry an opportunity cost, and when the barrier becomes too high partnerships are lost.

Lancaster University has been able to support local businesses through placing its student cohort in businesses to help them to grow. There have been examples of where these technically gifted postgraduate students have worked for a business, enabled them to innovate with their products and processes and facilitated growth. The university employs graduates every year to support R&I collaborations with industry, giving them the opportunity to gain experience in industry and also increases the likelihood these graduates will stay in the local region in the longer term. The role of the university in being a resource for students as well as its leadership in coordinating the needs of small businesses was praised by attendees.

Covid-19 has driven rapid innovation and new open innovation models have been adopted by industry and ways should be found to continue this to aid the post-Covid recovery. Alongside public funding for business, work is being carried out to attract more Angel and Venture Capital investment to the North West. It was said that the role of large businesses is incredibly important in the direction of travel for SMEs who are often part of the supply chain. It was felt as part of increasing the prominence of showcasing business support available, more should be done to highlight opportunities to engage with large businesses.

#### Local leadership

It was agreed that austerity measures mean that local councils in particular were under-resourced and were under immense pressure just to deliver essential services whilst also not being responsible for delivering local economic growth from research and innovation. Three universities in the region employ a shared innovation manager to work with the Lancashire LEP as these organisations are under-staffed and under-resourced. It was said that due to the lack of resources, LEPs often have to take the role of strategic oversight because they don't have the ability to undertake lots of work.

It was said that care should be taken to encourage LEPs in particular to be collaborative, as currently the lack of resource means that LEPs are often competing against each other to secure funding. It was agreed that LEPs need long-term consistency in terms of support to be able to be more strategic, not a round of restructuring as has been seen in the last few years. The attendees gave a lot of credit and thanks to the Lancashire and Cumbria LEPs, amongst others, to be able to support innovation in the region despite these resourcing issues.

#### Reflections

It was felt that in order to create more flexible ways to fund innovation, the sector must support the government in finding an effective way to easily audit how innovation funding is invested to give the Government confidence that the money is being spent well.

The message for consistency was echoed in the closing reflections. Much change has occurred in the public offering for research investment in recent years, alongside the challenges posed by the pandemic. There was a plea to build on existing strengths and structures that the North West has and supporting these strengths to maximise the benefits.