

Subject:	Maximising the Regional Innovation Ecosystem		
Date of Meeting:	26 January 2021		
Report of:	Chair, Officer Programme Board		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 Future funding will be significantly driven by “Place”, with functional geographies articulating opportunities to achieve significant economic and societal change via long-term and multi-faceted collaborative partnerships. The Greater Brighton City Region has been successful with “shovel-ready” capital funds. The Greater Brighton Economic Board “The Board” has been ready to respond to quick out the door calls and strategic developments. For example, in June 2019 approximately £6.2m capital growth projects were funded via Coast to Capital LEP.
- 1.2 Other cities, districts and regions in the UK have developed innovation ecosystems across geographical “zones” such as Bath + Bristol, [London to Cambridge](#) and the [Liverpool City Region](#) to intensify growth and prosperity. These approaches are all at different stages of development but are reported to be yielding positive outcomes. To address and shape its response to levelling up, place, and Shared Prosperity agendas and compete in forthcoming funding rounds alongside established innovation zones, the Greater Brighton City Region needs to create a recognisable and investable innovation proposition. Attempts in recent years to access strategic funds have demonstrated that our positioning is not strong enough to compete against other regions or innovation-led projects despite a number of opportunities explored in partnership with Board Members, private companies and business networks.
- 1.3 The Board has supported the concept of the innovation ecosystem as a driver of economic growth, creating high-wage jobs, igniting and attracting high-growth industries. The innovation zone concept gives focus to the innovation ecosystem notion taking a place-based approach to create an ecosystem that is greater than the sum of its innovation assets. The University of Brighton is a proponent of providing a structure to propel the City Region to employ a coherent strategy to address medium and long-term challenges and, critically, to secure funding to do so.
- 1.4 The proposition is to develop a transformational innovation zone by coalescing the Greater Brighton City Region’s innovation excellence, knowledge economy and place-making assets to meet the economic challenges of the next ten years.

1.5 The proposition supports the following Board key priorities:

- **Creative:** supporting innovative businesses to scale and grow, and sharing and commercialising knowledge.
- **Talented:** attracting and retaining talent in the City Region, and developing an integrated approach to talent; and,
- **Resilient:** building economic resilience. It also supports GB Pledge 9 to establish an Innovation Forum to drive forward local project delivery

2. RECOMMENDATIONS:

2.1 The Board should set up a working group, with agreed Terms of Reference, to investigate the development and establishment of a Greater Brighton Innovation zone (February 2021).

2.2 The working group should investigate the relationship between infrastructure activity and the Innovation Region proposition (March – June 21).

2.3 The working group should report back to the July/October 2021 Greater Brighton Economic Board on the initial findings of the Working Group.

3 CONTEXT/ BACKGROUND INFORMATION:

The Opportunity – An Innovation Region

3.1 The Innovation Region seeks to coalesce existing organisations and activities, aligning the components of an innovation ecosystem: improving people skills, connectivity and culture to achieve growth. The culture change requires a growth mindset, with an emphasis on quality of place, public–private partnership for place-based development, and new narratives about the possibilities for transformation that fall outside the areas that are typically funded. Key aspects of the Region could involve:

- Co-ordination between public and private innovation assets.
- Working together on the Place agenda both politically and with business and industry.
- Linking innovation skills and people into the economic development board in a way that hasn't happened in the region previously.
- Embedding infrastructure programmes into the Innovation Zone.
- Positioning ourselves to respond quickly to maximise opportunities arising from funding schemes such as Strength in Places, Shared Prosperity and similar.
- Moving from 'supply side' policy to an innovation policy that explicitly creates demand for innovation, in order to address society's big strategic challenges.

3.2 The Government has reconfirmed the initial Industrial Strategy commitment to increase UK investment in R&D to 2.4% of GDP by 2027 and to increase public funding for R&D to £22 billion per year by 2024/25 as a major stride towards this goal. The recently published [UK Research and Development Roadmap](#) states that the investment will be used to raise domestic and international business

investment into UK R&D, increasing economic productivity and prosperity through new products, services and jobs and helping to transform our public services. The Roadmap will be one of the Government's tools to re-balance regional inequality in terms of prosperity and productivity. The Roadmap current states "We (the Government) will work collaboratively across the UK, fostering greater collaboration and networks between funders, researchers, practitioners and civic leaders to embed a system that delivers stronger local economic benefit and improved quality of life outcomes from R&D. We will do this through publishing a new UK R&D Place Strategy later this year to unlock local growth and societal benefit from R&D across the UK".

- 3.3 The Coast to Capital Local Industrial Strategy Key Findings Innovation Ecosystem Report Part 1 notes innovation does not just happen within individual businesses: the places where they are based act as both the sites where innovation happens and as the driver in its creation. Furthermore, the same report also notes that innovative places show great interaction with organisations of different sizes and sectors, collaborating across their political and organisational boundaries to mutual benefit.
- 3.4 The City Region's five key strategic priorities set out aspirations for a resilient economic partnership, connected through a knowledge, creative and cultural economy utilising our people's talent, skills and expertise. Working towards a City Region Innovation zone concept builds and drives forward the actions of the Greater Brighton Inward Investment and Covid-19 Sustainable Recovery Plans. It also provides a framework to enable the Board to address and shape its response to levelling up, place, and Shared Prosperity agendas.
- 3.5 The Greater Brighton City Region has an SME dominated mixed economy with no primary sector or supply chain driver. However, there are clear sector clusters: Tech and Creative; Healthcare and Life Sciences; and Advanced Engineering. The two research active universities contribute to new knowledge, ideas and solutions for our region's companies utilising national funding programmes such as Knowledge Transfer Partnerships and SMART awards but are also delivering university knowledge exchange programmes and networks specifically designed to support the regional ecosystem (see table 1 for examples). Funding for regional programmes has been secured primarily from ERDF utilising university match funding and partnerships, with universities also self-funding additional economic and societal activities such as the Healthy Futures Network and bringing national funding to regional activities e.g. Green Growth Platform.

Project	Company size	Sector	Support
BRITE	Scale-ups or companies aspiring to scale	All – with focus on engineering, immersive, digital and medical technologies.	Specialist academic, RD&I activity based within a makerspace not available elsewhere.
DRIVA	All SMEs	Creative/digital	Data-driven RD&I utilising data derived from the operations of Gatwick Airport.
BRAIN	Start-ups	All	Start-up/academic/corporate partnerships
LoCASE	All SMEs	All	Green innovation and climate change
HOTHOUSE	All SMEs	All	Business support (Not RD&I)

3.6 There is scope to create an ambitious approach to innovation across our region using university, private and public sector open innovation expertise that has been shown to harness collaborative growth and development activity for businesses. Innovation hubs foster interactions but also provide co-located space to encourage meaningful interactions and innovative thinking. Innovation programmes such as those listed above stimulate and support innovation but can be confusing to navigate and would benefit from incorporation within a recognisable innovation ecosystem. Innovation hubs coupled with significant open innovation programmes utilise knowledge and expertise providing a platform for the creation of an innovative place to deliver economic growth and shared prosperity. To fully utilise our ambitions we need to work with the Coast-to-Capital and wider partners to identify current innovation assets, activities and gaps within the City Region. Furthermore, we need to investigate the relationship and touch points between the Greater Brighton One Public Estate Programme within the Innovation zone proposition as well as integrating Greater Brighton priorities and pledges within the innovation ecosystem.

Place Funding – The Landscape

- 3.7 The approach for delivering on place, economic development and levelling up agendas will vary, including Local Enterprise Partnerships, MHCLG, combined/regional Authorities, Powerhouses and UKRI. The funding will come in many guises including the long-awaited Shared Prosperity Fund (SP), and the Strength in Places Fund (SiPF) that invests in research and innovation projects that aim to drive economic growth in specific areas of the UK.
- 3.8 SiPF has invested £186 million so far, in a first wave of consortia of research organisations, businesses and local leadership. These projects build on existing research excellence and supply chains and must demonstrate that they will drive significant economic impact. Examples include:

- **SIPF - South Wales: CS Connected.** This project is building on regional strengths in advanced semiconductor materials and manufacturing. It will help South Wales' compound semiconductor industry to create 3,000 jobs by 2025, increase its direct contribution to the local economy to £265m per year, and improve skills among local people. It will also give the UK a global advantage in technology for sectors such as 5G communications and autonomous vehicles. It is led by Cardiff University and has received £25 million from the Strength in Places Fund.
- **SiPF - Liverpool and Cheshire: Infection Innovation Consortium.** This project will create eight specialist, commercially sustainable research platforms for infectious disease therapeutics in north-west England to transform product discovery and development, and help products go from lab to patients faster, cheaper and in more effective formats. It will generate hundreds of jobs in Liverpool and Cheshire, and attract substantive international investment to boost the area's economy. It is led by Liverpool School of Tropical Medicine and has received £19 million from the Strength in Places Fund. The partners include Liverpool University Hospitals NHS Foundation Trust, AMR Centre, Evotec (UK), Unilever and the University of Liverpool.
- **SiPF - South-east England: Growing Kent and Medway.** This project is developing Kent and Medway as the UK's leading region for climate-smart food production and processing by supporting local growers and investing in technologies such as artificial intelligence, automation, and smart packaging. By 2030, it will create 1,700 jobs and add £39 million annually to the local economy. It is led by NIAB EMR at East Malling and has received £18 million from the Strength in Places Fund. The partners include Berry Gardens Growers, Kent County Council, Medway Council, Chapel Down Group, Gusbourne Estate, Locate in Kent, APS Produce, Thanet Earth, University of Kent, Worldwide Fruit, NRI-University of Greenwich, Geku UK, Smurfit Kappa UK and Richard Hochfeld.

Deliverables and Actions

3.9 Immediate opportunities and actions include;

- Set up a working group with agreed Terms of Reference to investigate the development and establishment of a Greater Brighton Innovation zone Concept (February 2021).
- Develop an initial action plan for a scoping exercise for the development of an innovation zone concept to include resource identification, current innovation assets, activities and gaps within the City Region (March – June 21).
- Investigate the relationship between infrastructure activity and the Innovation Region proposition (March – June 21).
- Report back to the July/October 2021 Greater Brighton Economic Board on the initial findings of the Working Group.
- Marcomms to support development activity to consider branding and narrative.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 As outlined in paragraph 1.2, in recent years there has been limited success when it comes to access strategic funds, despite a number of promising

collaborative opportunities being explored. The lack of success may, in part at least, be because the positioning has not been strong enough to compete against other regions or innovation-led projects.

- 4.2 To address and shape its response to levelling up, place, and Shared Prosperity agendas and compete in forthcoming funding rounds alongside established innovation zones, the Greater Brighton City Region needs to create a recognisable and investable innovation proposition.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The working group, once established, will involve a number of stakeholders from across the public and private sectors. This group will shape the direction of the work.
- 5.2 The working group will determine whether wider consultation is needed on its proposals, and this activity will be performed when required.

6. CONCLUSION

- 6.1 Other areas, including Bath-Bristol and the Liverpool City Region have started to establish innovation ecosystems across geographical “zones.” Whilst these zones are all at different stages of development but are reported to be yielding positive outcomes for the geographic regions they represent. If Greater Brighton can coalesce around a recognisable and investable innovation proposition, the City Region will be in a stronger position to compete with other regions for the funds that are and will be available through various channels.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The cost of working group will be met from within the Board’s existing budget. Any funding opportunities resulting from the findings of the working group will be reported back to the Board.

*Finance Officer Consulted: Rob Allen, Principal Accountant
Date: 15/01/2021*

Legal Implications:

- 7.2 With reference to the recommendations in this report, the board has the powers to appoint task and finish member working groups which are time-limited (six months, with the option to extend for a further six months), in order to carry out focused pieces of work, and reporting back regularly to the board.

*Lawyer Consulted: Joanne Dunyaglo, Senior Property Lawyer
Date: 15/01/2021*

Equalities Implications:

Sustainability Implications

7.3 None.

SUPPORTING DOCUMENTATION

Appendices:

None

