

NCUB Briefing:

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# The Government's Innovation Strategy – at a glance

Summer 2021



# UK Innovation Strategy at a glance

On 22 July 2021 the UK Government published the [UK Innovation Strategy](#), setting out its vision to make the UK a global hub for innovation by 2035.

The Innovation Strategy comes at a time of significant change. The UK continues to grapple with the consequences of Covid-19 and has experienced its largest economic disruption since the Second World War. It has also set ambitious decarbonisation targets, has fully

left the European Union and is facing increasing international competition in the global race for innovation in the Fourth Industrial Revolution. The Strategy makes clear that research and innovation are central to the UK's domestic plan for growth and its global

aspirations. The Strategy lays out a long-term vision, while also providing a plan for action for the next three to twelve months. The Innovation Strategy recognises the UK Government's role in creating an effective innovation system across four domains.

## 4 Pillars of the Innovation Strategy



### Unleashing Business

Fuelling businesses who want to innovate



### People

Creating the most exciting place in the world for innovation talent, individuals and teams



### Institutions & Places

Ensuring that research, development & innovation institutions serve the needs of businesses and places across the UK



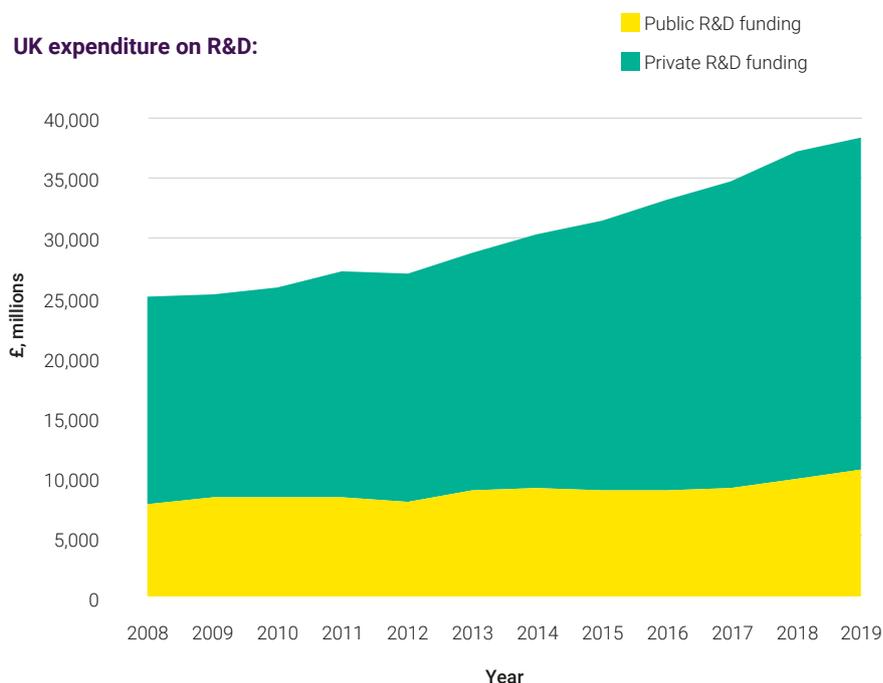
### Missions & Technologies

Stimulating innovation in technology to tackle societal and global challenges

Key to the Strategy is the ambition to boost the UK's research and development (R&D) spending. The UK has long underinvested in research. NCUB estimates that had we invested at the OECD average for the last 10 years, research, development and innovation would have **benefited from an additional £44 billion of investment**.

To start to rectify this, the Innovation Strategy makes a long-term commitment to innovation, committing to **increase annual public investment in R&D to £22 billion**. This commitment is critical to meet the UK Government's target to **double the UK's total R&D spend by 2027 to 2.4% of GDP**. To meet this target, NCUB estimates that businesses will have to **spend more than £17bn more in 2027** on R&D than they do today.

## UK expenditure on R&D:



# The right support for business, at the right time



The Innovation Strategy sets out: “While the UK’s system of institutions is well established, businesses are not always aware of what support is available or most suitable for them. To ensure that businesses can innovate, embrace global opportunities and respond to emerging challenges in a coherent way, businesses need an easily navigated, agile and responsive innovation system that delivers the right support at the right time.”

The new Strategy pledges to support UK businesses that want to innovate. It does so through funding and incentives, changes to the regulatory environment, reducing the complexity around access to finance for innovation, as well as helping to develop, retain and attract highly skilled talent.

## Headline announcements to boost business innovation



**Increase annual public R&D investment** to £22 billion



Reduce complexity for innovative companies by developing an **online finance and innovation hub** through Innovate UK and the British Business Bank



Invest £200 million through the British Business Bank’s **Life Sciences Investment Programme** to target the growth-stage funding gap faced by UK life science companies



Publish a joint **Action Plan on Standards** for the Fourth Industrial Revolution, championing an agile approach to standardisation to respond to fast-paced technological change



Form a new **Business Innovation Forum** to drive implementation of the Innovation Strategy



Create **Help to Grow: Management** to support 30,000 senior managers of small and medium sized businesses to boost their business’s performance, resilience, and long-term growth



Introduce new **High Potential Individual and Scale-up visa routes** and revitalise the Innovator route to attract and retain high-skilled, globally mobile innovation talent



Hold a **series of consultations** on how regulation can ensure that the UK is well-placed to extract the best value from innovation, including consultations on:

- reforms to the competition framework
- reforms to help smaller SMEs access capital markets, via the Wholesale Markets Review (ongoing)
- investigate, through Innovate UK and the British Business Bank, how businesses interact with different parts of the public support landscape
- setting up a new, pro-competition regime for digital markets
- protection of inventions and creations made by AI with minimal human input, via the IPO

# Establishing a framework to prioritise

The UK Government has a crucial role to play in creating the framework and prioritising where the UK could be world leading. The Innovation Strategy announces an Innovation Missions Programme to tackle some of the most significant issues confronting the UK and the world in the coming years. It also identifies seven strategic technologies for the UK to concentrate on.



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## Enabling the seven technology families of UK strength and opportunity

Advanced Materials and Manufacturing

Bioinformatics and Genomics

Electronics, Photonics and Quantum

Robotics and Smart Machines



AI, Digital and Advanced Computing

Engineering Biology

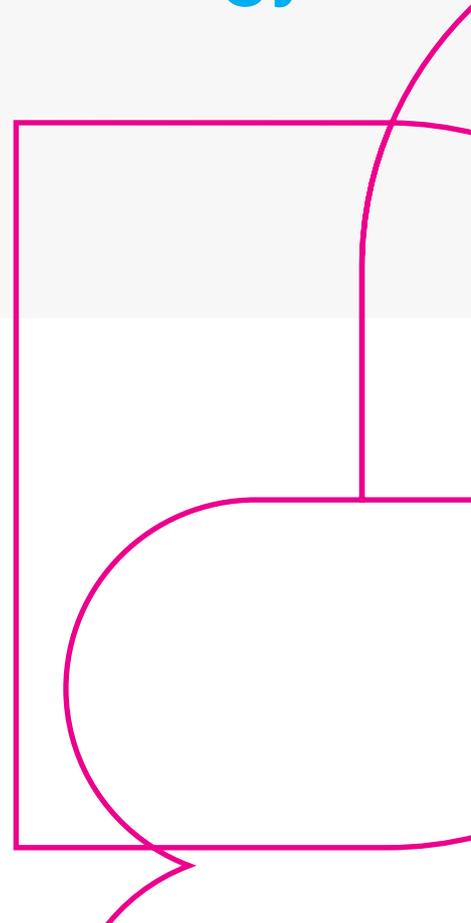
Energy and Environment Technologies

# The role of universities in delivering the Innovation Strategy

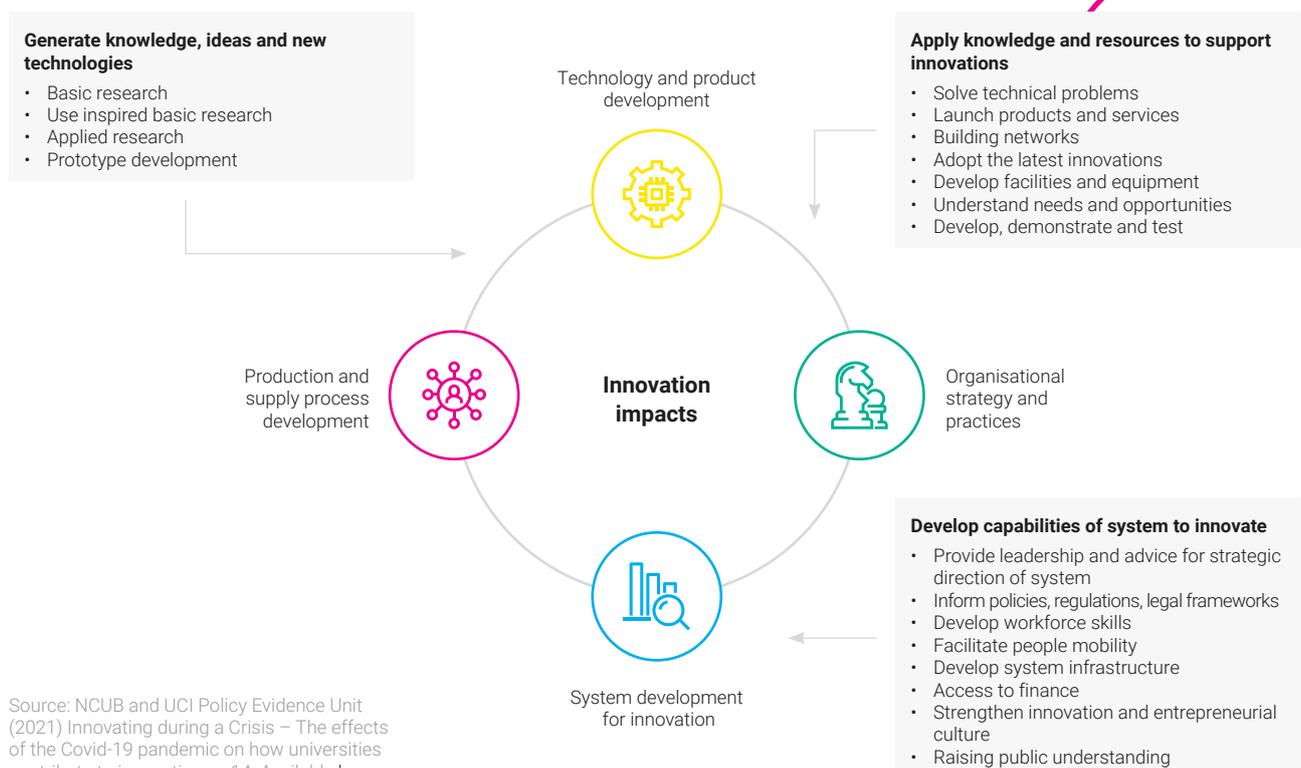


Universities, Academies, Catapult Networks, Research Councils and local business groups all play a vital role in the UK's innovation ecosystem and have provided invaluable support to date, most recently exemplified by the contribution of universities to leading the UK out of the Covid-19 crisis.

Simplifying access to these institutions for businesses and organisations not familiar with the institutional landscape will be particularly important to harness greater innovative capacity across the UK.



## Understanding how universities contribute to innovation

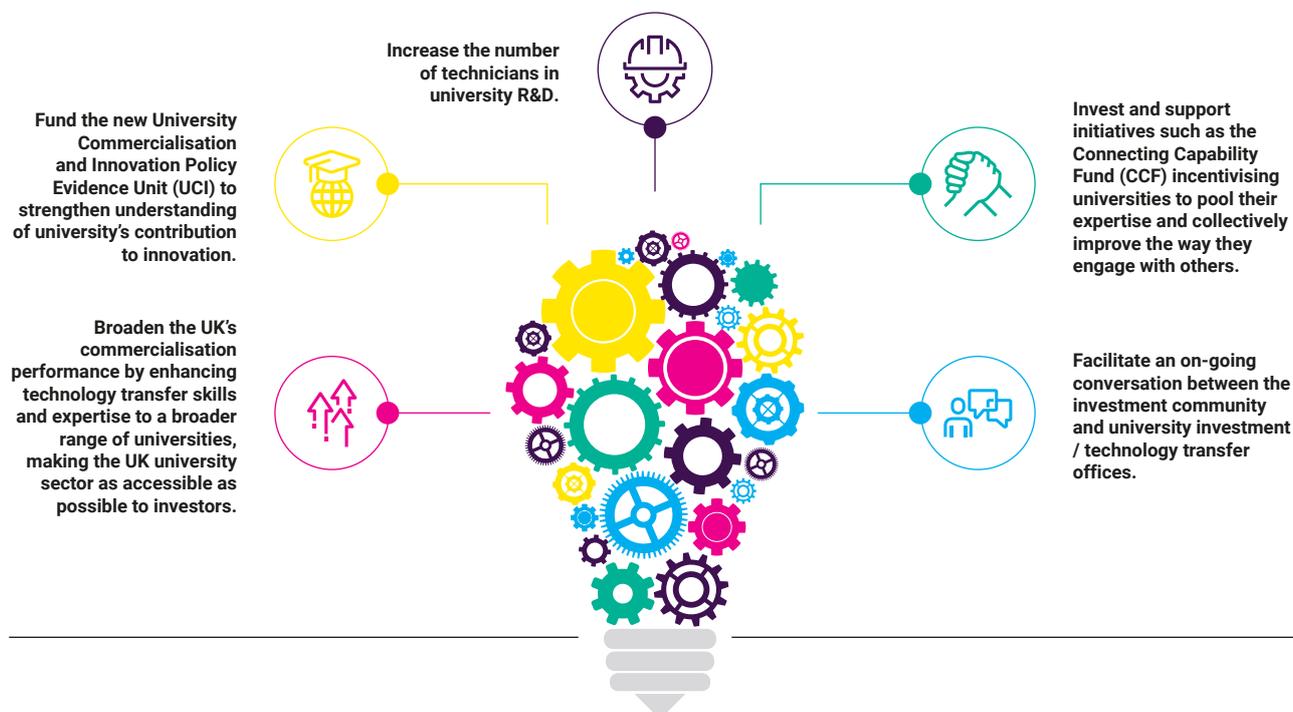


Source: NCUB and UCI Policy Evidence Unit (2021) Innovating during a Crisis – The effects of the Covid-19 pandemic on how universities contribute to innovation, p. 14. Available [here](#).

The research that universities and other publicly funded institutions do is a crucial part of the innovation process – from basic research through to applied and translational research. Working with universities to unlock the UK’s full innovative potential will be key to achieving the Strategy’s aims.

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### How the Innovation Strategy seeks to strengthen the role of universities in the innovation system



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## What does the Innovation Strategy mean for collaboration?

Delivering the ambitions of the Innovation Strategy requires collaboration, including between universities and business. The Innovation Strategy reiterates the importance of supporting the mobility of skilled individuals between business and academia to facilitate knowledge sharing. It also places emphasis on enabling the commercialisation of ideas from the UK's world-leading research base. One way it aims to achieve this is by making the UK university sector as accessible as possible to investors. These are all areas that NCUB, and its members, have been actively working on.





**The role of NCUB in delivering the ambitions of the Innovation Strategy**

The Strategy highlights the work and leading role of the National Centre for Universities and Business, which will help to advise and shape the critical environment for university-business collaboration in the UK. This includes our direct role in connecting businesses to research and innovation opportunities at universities, through our free online brokerage tool konfer.

**Konfer**

Konfer is the UK's online, smart-matching innovation tool that connects businesses and universities with innovation opportunities. Developed, operated and managed by NCUB in partnership with Research England and UKRI, konfer is free to use for all UK businesses, charities, research and technology organisations, universities, academics and individuals.

**153**

Universities and institutions connected to our platform

**144,000+**

Academics are part of konfer

**1.7m+**

research publications and projects

**15,900+**

Facility and equipment listings available

**46,000+**

businesses connected to our platform

# How does the Innovation Strategy meet NCUB's recommendations on R&D and innovation through collaboration?

In 2020, NCUB formed a Taskforce of senior leaders from both industry and academia.

The purpose of the Taskforce was to provide UKRI with advice on how the UK Government's ambitions for R&D and innovation could be met through greater partnerships and collaborations.

The recommendations were published in our [Research to Recovery](#) report in November 2020. The Innovation Strategy realises a number of the recommendations made in our report.

## Addressed in the new Innovation Strategy



### A national strategy:

NCUB called for national coordination rather than individual interventions and a cross-cutting R&D and innovation plan to create the right conditions to encourage greater business investment in research, development and innovation. We welcome the Innovation Strategy, which recognises that research and innovation are affected by many different factors – from the availability of skills, datasets, buildings and laboratories, to regulation, tax and funding.



### Missions:

NCUB recommended the development of specific commercial missions. These should be missions of broad societal benefit that the UK is focussing on to achieve a dominant market position and where more public support is targeted. The announcement to establish seven strategic technologies marks a step towards this approach.



### Foreign Direct Investment (FDI) strategy:

NCUB recommended the development of a foreign direct investment in R&D and Innovation Strategy to retain and attract a higher level of globally mobile business investment to R&D in the UK. In the Innovation Strategy, the UK Government pledges to develop a targeted, long-term, national approach to FDI complementing a more tailored, local approach.



### Supporting people and culture:

NCUB recommended supporting universities and business to develop a strong and diverse pipeline of R&D and innovation talent for the future that flows in and between academia and industry. This is recognised strongly in the Innovation Strategy as well as the R&D People and Culture Strategy.



# Looking ahead

The Innovation Strategy shares the UK Government's plans for implementation over the next three to twelve months. This includes launching a Joint Action Plan on Standards for the Fourth Industrial Revolution and a National Space Strategy in the next three months; a Net Zero Strategy, Levelling Up White Paper, Export Strategy, National AI Strategy and Digital Strategy in the next six months; and a Food Strategy White Paper, Sector Vision and National Cyber Strategy in the next twelve months.

UKRI and Innovate UK have a critical role to play in delivering the Strategy. New initiatives such as the Business Innovation Forum will further help to drive and implement the new Strategy. Once set up, the forum will galvanise action from the business community and hold Government to account on the actions contained within the Strategy.

Businesses across different sectors will be impacted by the upcoming plans

in different ways, but what is clear is that collaboration between business and universities is key to increase innovative activity across the UK in the long term. The UK Government is committed to enabling collaboration by supporting the gathering of evidence as well as the coordination and organisation of the innovation landscape. NCUB, and its members, will play a key role in this endeavour.

