



The All-Party Parliamentary University Group

Note of speaker meeting: “The Government’s Industrial Strategy”

Speakers:

Professor Quintin McKellar, Vice-Chancellor, University of Hertfordshire

Steven Wilson, Head of Innovation, Greater Cambridge Greater Peterborough Enterprise Partnership

Professor McKellar began his presentation to the group by outlining the Chancellor’s commitments in the Autumn Statement, noting the announcement of an additional £2bn of Government money that would be put towards research and development funding and would be referred to in the Industrial Strategy Green Paper and arguing that this was an excellent opportunity for the higher education sector.

He then went on to refer to the Prime Minister’s speech introducing the Green Paper and her comments that universities were poor at commercialising research and long term investment was inadequate. He argued that it was clear that the UK lagged behind Germany and France in productivity, but that the UK was also third, according to the OECD, in the number of start-up companies created. He also argued that while the £2bn is a welcome increase the percentage of GDP invested in science and research is still lower than in other nations, with the UK at 1.7%, the average being 2% and South Korea well ahead investing 4%.

Professor McKellar raised two concerns for discussion. The idea that there are not enough STEM graduates becoming teachers, which he argued was tricky to overcome as once trained graduates can find more money in careers in software or analytics. He also flagged the Green Paper’s point on low contact time in further education comparatively to other nations. He noted that this had long been an issue for discussion in higher education but that smaller amounts of contact time does not necessarily equate to poor teaching.

Moving onto regional and local growth Professor McKellar pointed out that the university sector is unusual in that it supports education and infrastructure unambiguously across the country. So when the Government is looking to invest within sectors that can provide economic growth across the country, whether perhaps as part of the Northern Powerhouse or the Midlands Engine, the higher education sector is incredibly well placed.

Steven Wilson opened his remarks with a description of the role and impact of local enterprise partnerships, noting that they demonstrate the benefit of a localised approach and the importance of place, providing critical business input into local growth and productivity. Their structures varied, but each was involved with skills, infrastructure and funding – including European Structural & Infrastructure Funds (ESIF) and the Growth Deal.

He went on to mention the similar concerns that higher education and LEPs share including: investment in science, research and innovation, the cultivation of world-leading sectors, and driving growth across the whole country, working across borders that are invisible to business. There was a need to continue to invest in success, and not to become complacent. Many LEPs covered areas of relative economic prosperity - but also challenging deprivation.

Mr Wilson went on to describe an ambitious programme that he was currently leading – the East of England Science & Innovation Audit (SIA) for BEIS - that is mirrored in certain other regions and involves a deep-dive survey of innovation across the public and private sectors, with academia at its heart. The dynamic East of England consortia included New Anglia, Hertfordshire and South East LEPs; every HEI e.g. the Universities of Cambridge, East Anglia, Hertfordshire, Essex, Suffolk, and Anglia Ruskin, as well as FE. Industry was leading, including major players like BT plc, TWI Ltd., Marshall Group, many SMEs, and others like the NHS.

Mr Wilson flagged the importance that the science and innovation audits had played in determining the future programme of work for their economic geographies, led by the 38 LEPs, and noted his concern that these were not included within the initial Green Paper.

The SIAs were unfunded by BEIS, but served a useful purpose in catalysing the sectors to cluster and organise themselves, supported by academia and facilitated by the LEPs, to determine with an accurate degree of granularity what their region had genuinely global standard science and innovation in. The aim was to lead to more focused and informed regional support from central and local government, and increased foreign investment.

It also helped reunite academia with business, a relationship which although still healthy had suffered from the demise of many of the former regional university associations, which Mr Wilson noted the green paper had raised the possibility of assisting the recreation of.

LEPs were also being innovative e.g. a GCGP and New Anglia J/V with business angels, the regional Academic Health Science Network and NHS innovation hub to co-invest in a Proof of Concept Fund, Medtech Accelerator Ltd. GCGP worked very closely with Universities around Department for International Trade (DIT) foreign direct investment (FDI) missions, and in developing effective and efficient Science, Industry & Innovation Councils to place the area's Universities at the very centre of local economic policy development and oversight.

Mr Wilson closed his remarks by summarising the future priorities for the Greater Cambridge Greater Peterborough Enterprise Partnership but that are likely to be replicated across the country. These fell into three categories: helping sustainably tackle the infrastructure barriers to prosperity; assisting with the supply of the skills that businesses need, and delivering targeted funding to businesses and other organisations to grow, innovate, export and prosper.

Discussion and Q&A

The discussion opened with positive remarks about the Industrial Strategy, it was generally accepted that this was a **positive opportunity**, however attendees were keen that any strategy was long term and not a fix for a parliamentary term. A strategy would need to **consider the future needs of the economy** and include some flexibility to respond possible threats or opportunities yet to be discovered. It's clear that the Government is keen to replicate the precision of a national strategy with something that takes into account the differences of the **regions**. There was a general discussion of some areas that are less heavily prioritised or not included but that UK does very well at, such as **the arts, creative industries and tourism**.

The group discussed concerns around the **lack of coherence of pre-university skills**, with many parts of the system being required to compete with others creating confusion and adding to issues in the supply of skills. It was agreed that it is important for the Government and the sector to know what education levels and provision look like elsewhere but also to understand more fully what is happening in the UK to ensure a **reliable and future proofed supply chain**.

A specific prospect of the Green Paper was highlighted in the section on **procurement**, with some attendees arguing that this was an opportunity for universities to leverage this in a way that the sector was not currently doing and work with other suppliers. Others reiterated concerns about the lack of joined up thinking in the Green Paper, specifically around **science and innovation audits** as it was clear across the country that LEPs and other strategic partners have embraced their outcomes and are making plans around them.

Many attendees voiced the idea of higher education pushing for a **whole sector deal**, while keeping in mind the **timing and political thinking** that may be surrounding the creation of a strategy. The group was clear that the **importance of the sector to any strategy** needed to be recognised by Government, remarking that universities are key partners to business and a thriving economic sector in our their right providing over 2% GDP.