

Industrial strategy three years on – delivering impact through regional and pan-regional collaboration

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19 October 2020

In what seems like a lifetime ago given the events of the past six months, back in November 2017 the UK Government published its Industrial Strategy White Paper 'Industrial Strategy: Building a Britain fit for the future' which included four Grand Challenges, namely Artificial Intelligence and Data, Clean Growth, Future of Mobility and Ageing Society.

The Industrial Strategy recognised that a key attribute of strong local economies is a rich innovation system, often built around a university, and that higher education brings economic benefits through the provision of higher-level skills that are needed by employers both nationally and within local areas.

Clearly, universities and colleges have an important role to play in delivering the aims of the Industrial Strategy but until recently it was hard to demonstrate what progress has been made and where the focus needs to be going forward. Universities UK's publication on 22 September 2020 of the results of its data exploration project is welcome and timely.

The Industrial Strategy Council commissioned Universities UK to undertake a data exploration project to better understand the contributions that universities and colleges make towards prosperity, although the availability of data for colleges is limited. The project focuses on three areas: knowledge exchange (including spin-outs, contract research, consultancy and Knowledge Exchange Transfer partnership funding), research and innovation, and skills development to support business performance. It considers how universities support the business environment and how funding for universities is distributed for industry-focused research across the Grand Challenges.

Headline figures include that, according to the latest figures, universities generate £95 billion supporting 944,000 jobs, with £1 in every £34 of UK GDP attributable to the achievements of universities. Institutions can see how they and others compare on the topics covered by the visualisations in the Universities UK [report](#).

Some interesting findings

- **Knowledge exchange**

In the area of knowledge exchange, the institutions reporting the highest income from contract research, particularly from large businesses and non-commercial organisations, are almost all located in large urban centres that have a high density of knowledge-intensive business services. As the authors of the report comment, a high number of knowledge-intensive business services indicates a developed innovation ecosystem, with many businesses seeking out knowledge-based services including advanced services from universities and colleges.

This is consistent with the recognition that the development of innovation ecosystems that can drive an increasing appetite for knowledge-based services should be at the forefront of initiatives at national and regional level.

- **Research and innovation**

The report looked at a comparison of the challenge-specific funding allocated to universities and to business and noted that the funding given to universities currently has a much wider geographical distribution than the equivalent funding given to businesses, with the exception of healthcare. In this way, universities have drawn sector-specific funding to their regions.

In some cases, such as in the so-called Golden Triangle of Oxford, Cambridge and London, innovation clusters have developed near institutions, but the report notes that elsewhere there remains work to be done on strengthening innovation clusters.

Universities therefore have a critical role to play in driving innovation across the country.

- **Skills development**

The report highlights the importance of the role of universities and colleges in raising aspiration, supporting life-long learning and providing alternative routes to skills such as apprenticeships and degree apprenticeships.

One particularly noteworthy statistic is that 46% of 2016/17 graduates are what HECSU (the Higher Education Careers Service Unit now part of JISC) classified as 'loyals'. These are graduates who study and work in the region in which they were originally domiciled. Assuming that this pattern has continued, this is important for universities which seek to better align their curriculums with the needs of local and regional industries.

The importance of regional and pan-regional collaboration

One of the threads that weaves through the three areas covered by the Industrial Strategy Council project is the role of regional and pan-regional collaboration involving universities and colleges coming together with business and the public sector to deliver greater impact.

There are numerous examples of these throughout the UK, but one very active and successful pan-regional collaboration is the Midlands Engine. This is a partnership that brings together public sector partners and businesses to complement the activity of local and combined authorities, LEPs, universities, businesses and others across the Midlands.

Browne Jacobson and the Midlands Engine recently hosted a roundtable event on the green recovery. This has resulted in the establishment of an ongoing forum for experts from across the Midlands to shape and define the way the Midlands can emerge strongly from the Covid crisis. In the weeks following the roundtable we have been working with the Midlands Engine to produce a report informing where the Midlands as a region can identify and drive forward the opportunities arising from a green-focused post-pandemic recovery.

The report '**Building back stronger, better and greener in the Midlands**' includes sections on:

- Energy generation and storage;
- Transport innovation;
- Digital connectivity to power growth; and
- Skills transition - fossil fuels to clean energy

Our organisations all have a role to play in making a real difference to the prosperity of our regions, and opportunities to work collaboratively are at the heart of the success of the Industrial Strategy.

If you would like to discuss how we are working with universities and business on a regional and pan-regional basis please contact [Bettina Rigg](mailto:Bettina.Rigg@brownejacobson.com).

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