

1. How does the Government drive research and innovation in our regions?

- How effective are the government's policies in supporting the innovation ecosystem across the UK's nations and regions, particularly through commercialisation initiatives?
 - How should devolution be harnessed to support innovation across the regions and nations, and what role should local government play in supporting research and development?
- How do factors such as the tax system, regulatory frameworks and standards influence the success of start-ups, spin-outs, and other innovation-driven businesses?
 - What challenges do innovation-focused researchers and businesses face in spinning-out or scaling-up, such as accessing venture capital, infrastructure and intellectual property rights.

Research-intensive universities, such as the University of Southampton, play a critical role in the regional innovation ecosystem.

Our experience shows, the impact of Government policies to support commercialisation initiatives are strengthened where investment decisions are underpinned by expert regional insight and align with regionally developed innovation, enterprise and growth strategies.

The recently published Devolution White Paper supports the principle of bespoke regional innovation funding. However, it proposes this investment is, at least initially, confined to Established Mayoral Strategic Authorities.

We recommend this opportunity is extended immediately to all Mayoral Strategic Authorities in every English region to maximise the pace and scale of its impact on regional and nationwide economic growth.

Access to Venture Capital, infrastructure and IP rights have long been identified as a challenge and barrier to most businesses with high productivity and growth potential in the UK.

We recommend that the Committee explores approaches to catalyse early stage investment funding by the private sector and to allow Universities to take more risk regarding IP protection at earlier stages.

A key barrier is underdeveloped skills amongst researchers, students and entrepreneurs in these areas. In some areas of academia and in the SME sectors there is untapped potential to unlock an "entrepreneurial mindset and culture." Programmes such as ICURE (founded at Southampton, but now operating UK-wide, through Innovate UK) have had significant positive impact. Regional programmes such as SETSquared, and local programmes such as the University of Southampton's Science Park Catalyst and FutureWorlds incubator have also been highly influential, but there is opportunity to do more, particularly away from Science and Technology enabled businesses and would-be entrepreneurs. Universities and their Business Schools offer a potential solution.

We recommend that the Committee explores investment in University Business Schools in their role to deepen and embed a culture of entrepreneurialism and commercialisation amongst students, academics and budding innovating wealth creators in every corner of

the UK. We also see opportunities to increase the reach, connectivity and impact of existing programmes.

2. How does research and innovation in our regions drive growth and prosperity in those regions?

- How effective are regional innovation hubs and clusters in supporting regional growth and prosperity for local communities?
- How regional Cluster growth can best be measured, mapped, and monitored to help inform local leadership and evidence-based policymaking in Whitehall.
- Would unlocking investment at scale for innovative science and technology companies support regional growth, and how could this be done?
- Should there be region-specific innovation and growth policies, and what should local government's role be in this?

The University of Southampton is itself a regional innovation hub and regional jobs and wealth creator delivers an impressive return on investment. Independent research shows that the university has an overall economic impact on the region of more than £4.1 billion representing a 7.4 times multiplier of the University's direct expenditure.

Research and Innovation are essential ingredients to sustainable growth in a region and beyond.

In the Hampshire:Solent region investment in innovation infrastructure such as the Future Towns Innovation Hub provide facilities and expertise to create new high tech businesses and local high value jobs. [Absolar](#) is a prime example.

Across a wider region, the SETSquared partnership has been highly effective and influential in promoting innovation and developing early stage companies, supported by Research England's Higher Education Innovation Fund allocations and Connecting Capabilities Fund, as well as attracting private investment.

Bespoke regional innovation and growth policies are likely to lead to greater returns on investment. The insights of local leaders and influencers into unlocking whole region growth potential often highlight opportunities that would not be recognised by central decision makers.

For example, ambitions to establish innovation and commercialisation infrastructure in the shape of a Centre for Green Marine Innovation and a National Centre for Silicon Photonics play to research and industrial strengths in Hampshire:Solent and would be a growth game changer for a flat lining regional and national economy.

Outstanding specialisms and strengths will vary from region to region and we recommend Local Government and Mayoral Strategic Authorities should be resourced and given responsibility to work with Universities and regional knowledge-intensive sectors to identify and nurture the conditions for innovation and growth in their local economies

Regional innovation hubs and clusters do support regional growth and prosperity and the impact can have a "halo" effect on the growth of other sectors. In the Hampshire:Solent region, for example, we see this with the marine and maritime and with the aerospace and satellite industries.

However, the prosperity generated by high potential growth sectors is often not shared equally and improved living standards often do not reach every community within a region. In some areas economic inequalities are exacerbated.

We recommend that the Committee explores how support of innovation and the prevalence of high productivity companies can be coupled with inclusive growth and how that goal can be reflected in the monitoring of regional growth.

3. How is research and innovation diffused or supported to drive productivity and growth in the regions, wherever it may come from?

The devolution of power and resources to regions and a regional approach to innovation and growth risks fragmenting the nation in this important sphere of activity. We note the very positive influence of the SETSquared partnership, which involves six major research-intensive Universities across six cities and two nations. This is able to work at a scale that can offer a pipeline of investible start up companies that is attractive to would-be investors. All of the University partners have consistently evaluated that they can achieve much more by working in partnership in this way than they could achieve by working independently, even at a more local regional level.

We recommend the committee explores mechanisms to avoid pitting regions against each other in favour of establishing networks of collaboration. This will include considering alternatives ways of allocating investment on the basis of competitive bids .

The following comment from Professor Sir David Payne:

How are funding bodies such as UKRI and ARIA contributing to the UK's innovation ecosystem and delivering the government's growth missions?

Aria, is a very new body which was established to look a little like the USA based DARPA.

It's too early to say, but we are very supportive of the concept as a means of transferring ideas and inventions from university into industry.

Regarding UKRI, this is a very effective body that funds research at technology readiness levels, one to three, and is an essential part of the innovation chain. It enables the inventions and ideas that ultimately hopefully end up in industry and de risks concepts which might be unsuccessful and which industry is not prepared to fund themselves.

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