

## **SOUTH EAST ENGLAND DEVELOPMENT AGENCY**

### **BOARD MEETING ON 10 SEPTEMBER 2009**

#### **ITEM 4**

#### **SEEDA's INNOVATION PROGRAMME**

##### **Recommendation**

The Board is invited to **DISCUSS** SEEDA's current innovation programme and **CONSIDER**, as part of an initial discussion, how it should develop going forward.

##### **Background**

1. SEEDA has invested in innovation since its earliest days. Responding to the Lambert Review of University-Business Collaboration in 2003, and strongly steered by the South East Science, Engineering and Technology Advisory Council (SESETAC) there was a step change in SEEDA's commitment and the level of investment devoted to innovation increased substantially.
2. As a result, SEEDA can now offer a powerful, integrated innovation programme, both responsive to the South East's distinctive characteristics and remaining firmly aligned with national policies, delivering against the Global Competitiveness and key Sustainable Prosperity targets in the RES.
3. However, the world has not stood still: economic downturn, changing government policy in the shape of New Industry, New Jobs and SEEDA's own changing priorities, mean we have to think about how the programme needs to adapt and develop for the future.
4. "*Collaborate • Catalyse • Connect • Choose*" (at Annex 1) gives an overview of SEEDA's current investment in innovation. It is not a forward looking Innovation Strategy, but provides a spring-board to start the thinking to develop this Strategy, guided by the SEEDA Board, SESETAC and other stakeholders. A Strategy should now be developed, addressing how SEEDA should invest in innovation in the current economic and organisational context. This discussion presents the Board with an early opportunity to discuss how this Strategy might develop.

##### **Introduction**

5. SEEDA has increased its investment for innovation support from just over £1million in 2001/02 to over £28million in 2008/09 (with a projected spend in 09/10 of around the same level), and is now offering a coherent, simplified programme with depth and relevance to the South East business base. SEEDA's current innovation programme is described in Annex 1 –

*Collaborate • Catalyse • Connect • Choose.* This is supported by the Strategy for Technology, which has been developed by SESETAC, at Annex 2– *The South East Strategy for Technology – S4T.*

6. SEEDA's investments have never been about providing large grants, we have not had the resources to follow this approach. Instead, we have invested smartly, in ways which deliver a significant contribution to the RES targets for relatively modest inputs. The approach is based on the four principles of Collaborate, Catalyse, Connect and Choose.
7. We collaborate with universities and businesses through our Knowledge Network and Knowledge Transfer Partnership activities, as well as in collaborative R&D projects such as the EMini and the Institute for Sustainability. We catalyse activity through stimulating new ideas and novel approaches, for instance the South East Seed Fund, or our Innovation Vouchers. We connect innovative people, places and businesses via our Business Link Providers, Finance South East and the Sector Consortia. We choose where to put our investment, and have developed a clear position to invest in the Diamonds for Investment and Growth (as identified in the RES), in our six new priority sectors and four technology pillars.
8. "New Industry, New Jobs" sets out a strategic vision for Britain's recovery and future growth, driven by a new industrial activism shaping the Government's approach to working with businesses, markets and industrial sectors. It looks to maximise the opportunities in the post-recession global economy. SEEDA's innovation activity going forward needs to develop to deliver this vision in the South East.
9. The SEEDA Fit for the Future agenda emphasises the importance of targeting investment to support growth sectors, with priority given to those sectors and technologies that stand to make the largest contribution with regard to innovation and productivity-led growth, and the new Sector & Cluster Development team will drive this. We now need to consider how to focus our new, sector-based approach so that it promotes innovative activity.
10. The Board are invited to consider how the programme should now develop, and may wish to comment on the following:
  - developing activity so that it continually and appropriately aligns with the national focus of "New Industry, New Jobs" and the Technology Strategy Board, so that South East companies are part of the new economy.
  - aligning our investment in physical infrastructure with our sector, technology and geographical priorities.
  - developing stronger and more meaningful partnerships with our major corporates and Universities.
  - refocusing our international activity to enable us to attract and retain more innovative international investors.

- maximising the benefit of joined-up delivery at the local level through the South East Innovation & Growth Teams, focused on the priority areas for growth.
- developing more cross-regional and regional/national activity, including working as a Greater South East Group.
- focusing the new SEEDA Sector & Cluster team, working closely with the Innovation Team, to promote innovation and business growth.
- making the most of our likely new responsibilities for skills, as well as further developing our existing "skills for innovation" programmes.

11. With the Board's input, we will be taking the development forward, with the help and guidance of SESETAC. An important consideration will be how the Innovation Strategy will influence the Regional Strategy and the role of the new Economic Development & Skills Board in steering future activity.

### **Sector/Technology Alignment**

12. The priority sectors and technologies identified by SEEDA align strongly to the national "New Industry, New Jobs" priority areas that will drive industrial and skills activism over the coming years: Low Carbon, Ultra Low Carbon Vehicles, Digital, Life Sciences and Pharmaceuticals, Advanced Manufacturing, Professional and Financial services, Engineering Construction and Industrial Opportunities in and Ageing Society. The technology priorities align to the national Technology Strategy Board Key Technology Areas, Key Application Areas and Innovation Platforms.
13. The selection of the priority sectors builds on the knowledge and understanding developed running the sector consortia programme, and has been underpinned by further research. This will be developed in much greater depth, and further research will be undertaken in the new structure. Mechanisms for identifying new priorities will be developed by the new SEEDA Sector and Cluster Team, with advice from SESETAC. It will be important that regional priorities align with national, whilst seeking to be at the technological forefront.

### **Communications**

14. The coherent presentation of SEEDA's current innovation programme "*Collaborate • Catalyse • Connect • Choose*" is written to be shared with stakeholders. SEEDA is presenting its innovation offer in an accessible format and it is envisaged that this will be a very useful document at a local, regional and national level, of interest to SESETAC, Universities, Economic Partnerships, the Technology Strategy Board and BIS, amongst others. This is equally true for "*The Strategy for Technology*" and it is intended that both documents should go onto the SEEDA website. "*Collaborate • Catalyse • Connect • Choose*" needs some further development before publication, specifically to show a summary of overall success and to give a

read-out of the PWC Impact Assessment evaluation of SEEDA's innovation programmes.

15. It is intended that a short summary document (one/two pages) will be developed to sit alongside the summary fold-out of the revised Corporate Plan to be available at the November AGM.
16. "*Collaborate • Catalyse • Connect • Choose*" can also be used to raise awareness internally, particularly important as SEEDA moves into its new structure and people leave or change roles. There is no intention for press coverage at the moment, as the report is steady-state, but there may be media opportunities in the New Year, once the future direction for the innovation portfolio has been developed.

Author: Jeff Alexander  
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Contact: 01483 500730