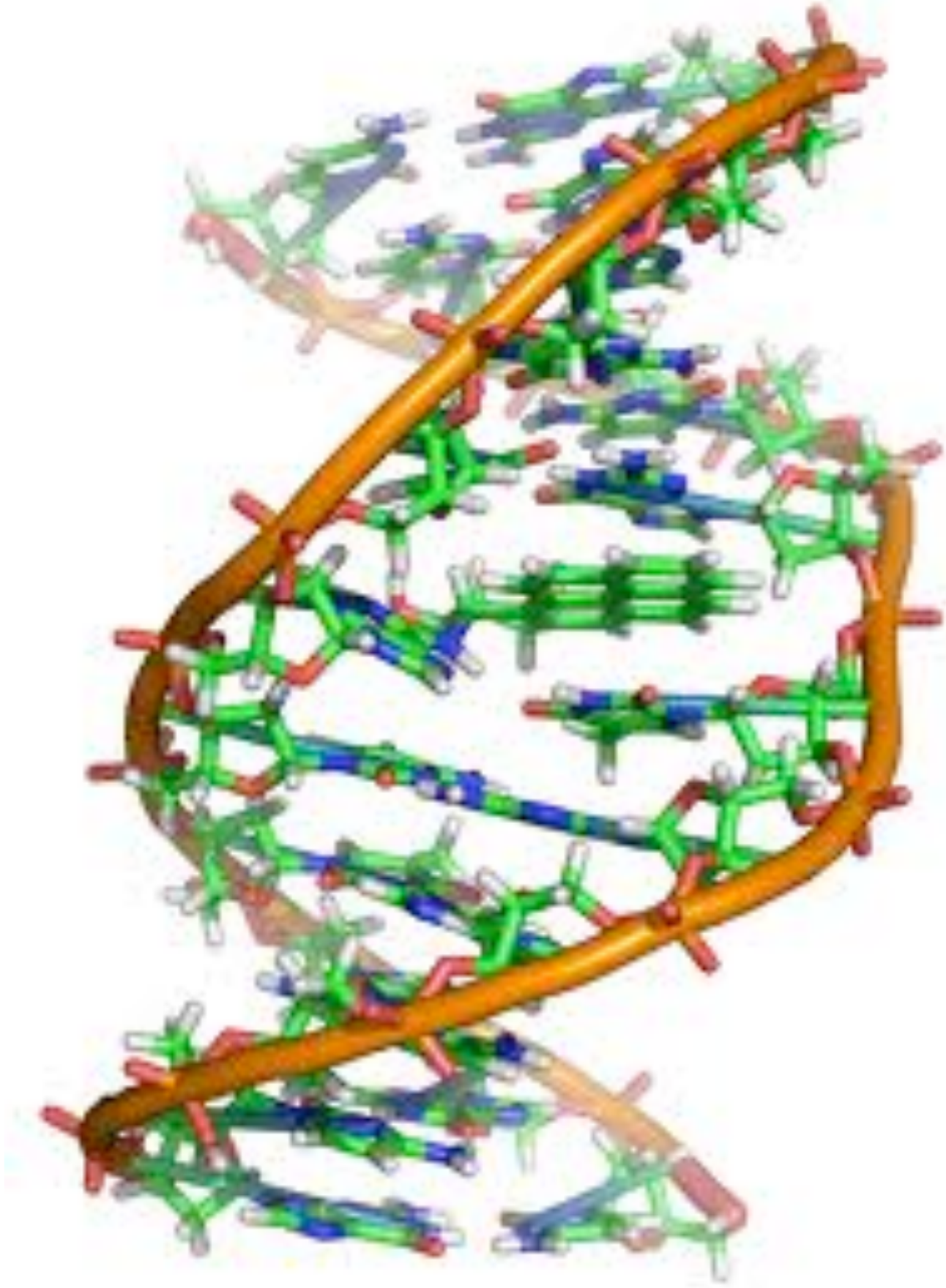
North East
Local Enterprise Partnership

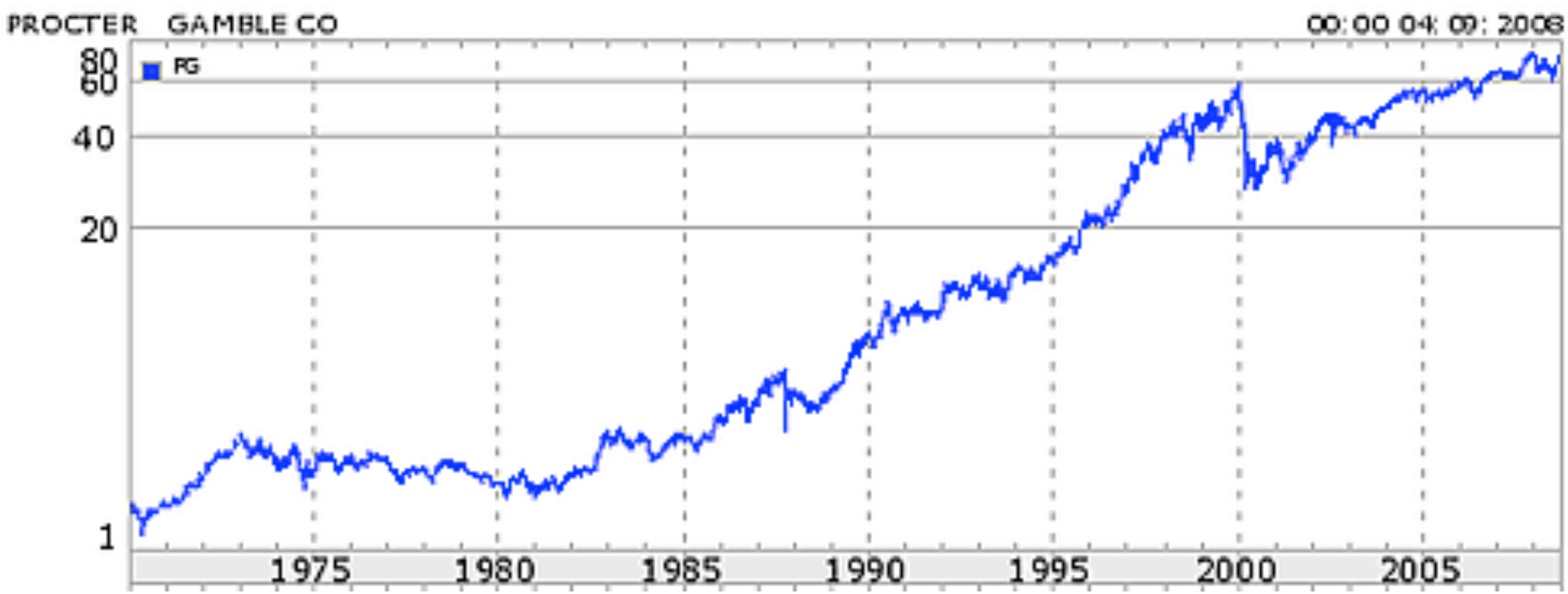
Innovation North East

Building Regional Prosperity

Professor Roy Sandbach
Chair, Innovation Board,
North East Local Enterprise Partnership,
Birkbeck, December 4th 2015



80 billion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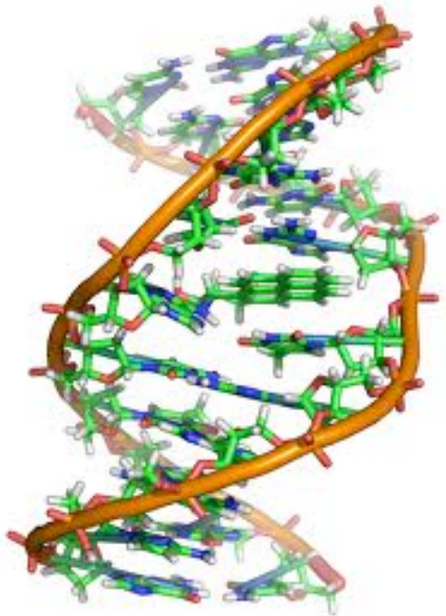

So, let's start with some fundamentals…..

NE Background

LEP commissioned report
The North East Economic Review 2013

Chaired by Lord Andrew Adonis……
Led to the North East Strategic Economic Plan
“More & Better Jobs”

“The North East should become an exemplar for open innovation and smart specialisation……..”

An innovation definition.....

"matching what's possible with what's needed.....

to create economic value or social good or both....."

- To mat eeded.....

- From anywhere & anyone.
- Networked solutions……..
- And from creative idea to market implementation
- With shared risk & reward

- NOT ALL THE BRIGHT PEOPLE WORK FOR YOU

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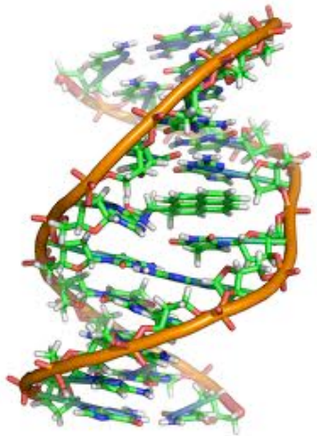


Analysis, analysis, analysis…..

Global Benchmarking
Network analysis
Business R&D expenditure
Entrepreneurial activity
University strengths
Corporate/governmental innovation strategies
SME needs….

Let's look at Business R&D expenditure*……

• East of England	585
• South East	470
• North West	267
• East Midlands	261
• South West	257
• West Midlands	254
• London	177
• Yorkshire	113
• North East	108

• *This is a quotient of Business R&D expenditure (£MM)/capita of population (MM)……based on BIS Data 2014.

629
919
879
941
869
1,083
1,434
1,222
1,189

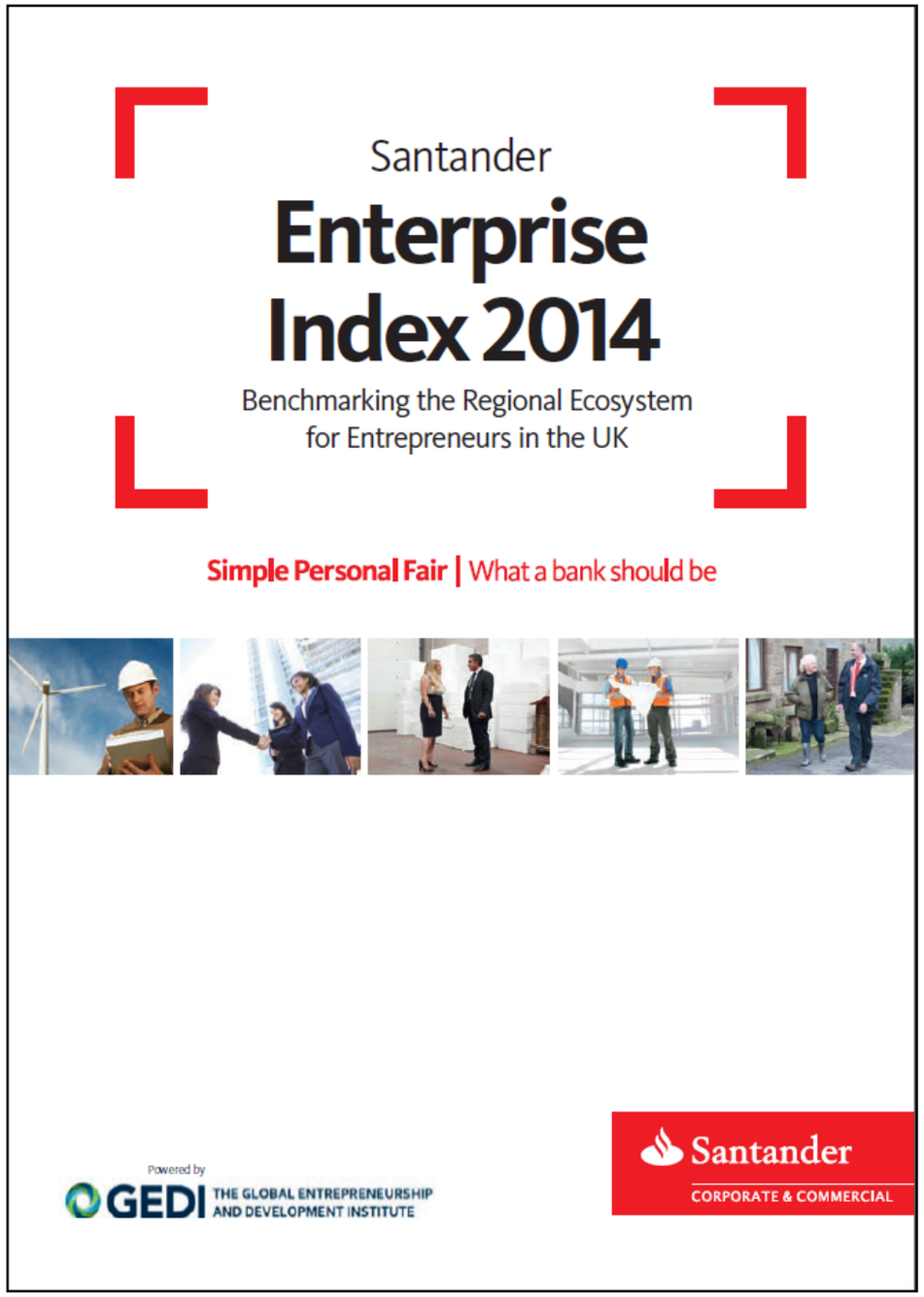
Down 10%

The Santander Analysis

- Entrepreneurial performance in regions is driven by Attitudes, Ability, and Aspirations.

- The Enterprise Index identifies bottlenecks to performance at regional level.

- Based on this, regions are benchmarked



Regional Analysis :Overall Index

Code	Region	REDI	Rank (UK)	Rank (EU125)
UKI	London	79.9	1	2
UKJ	South East	69.5	2	9
UKH	East of England	61.5	3	22
UKK	South West	60.7	4	24
UKD	North West	59.0	5	28
UKM	Scotland	59.0	6	29
UKG	West Midlands	58.6	7	33
UKN	Northern Ireland	58.0	8	35
UKE	Yorkshire and The Humber	56.4	9	40
UKF	East Midlands	55.3	10	42
UKL	Wales	54.7	11	45
UKC	North East	48.9	12	59

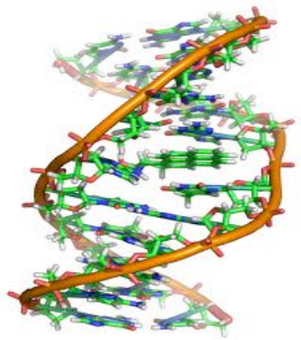
Attitude, Ability, Aspiration analysis

Region	ATT	Rank (EU125)	ABT	Rank (EU125)	ASP	Rank (EU125)
London	79.0	5	83.0	2	77.7	2
South East	70.7	9	80.0	3	57.9	28
East of England	63.4	24	64.1	25	57.0	30
South West	63.6	22	68.1	16	50.4	47
North West	62.3	25	65.9	21	49.0	49
Scotland	59.8	32	72.2	12	44.9	67
West Midlands	62.0	26	66.0	20	47.6	53
Northern Ireland	58.8	34	62.7	29	52.6	43
Yorkshire and The Humber	61.7	27	62.0	31	45.4	65
East Midlands	61.6	28	62.1	30	42.3	70
Wales	57.8	36	61.2	32	45.0	66
North East	**54.7**	**42**	**56.3**	**46**	**35.8**	**89**

An Open Regional Innovative Environment

- How do you create this for the North East ?

Successful Innovation for the North East region….



- **Matching what's needed with what's possible for economic value or social good or both…..from anywhere.** Includes tech-driven innovation, creative and design sector innovation and social innovation.

- **Not only about research or ideas or entrepreneurship**. Its about all of these put together into revenue-rich projects executed for jobs, growth and prosperity.

- **Requires a systematised process**, the right collaborative culture and expert people. Facilitated networked dialogue for engagement. This is required for open innovation.

- **Benefits from being business-driven** or uses end-user engaged systems. Delivery is everything.

- **Requires de-risking facility/resource and de-risking finance**

Four strategic imperatives

- **Be very clear on what we're good at**…. generalised industrial themes are hopeless. We need laser focus on specific R&D leadership areas or where there are gaps in global R&D clustering. Smart specialisation is key.

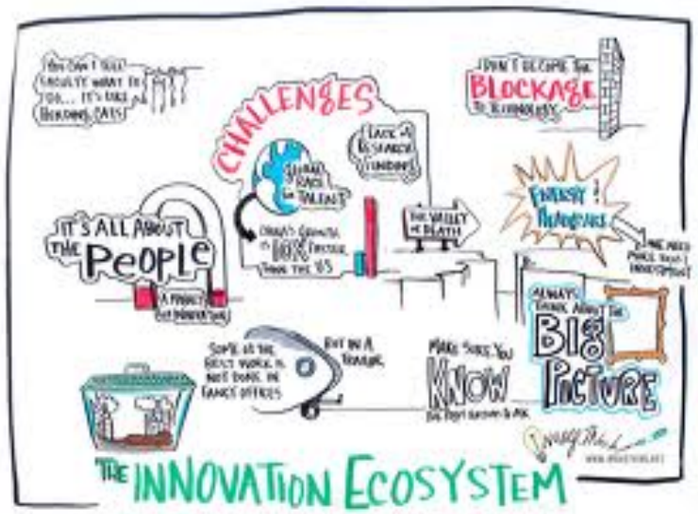
- **Develop our innovation hubs** for commercial problem-solving.

- **Get the region working as a region** in the innovation space. Optimise our systems and networks. Develop partnerships better.

- **Create a regional innovation voice** for national and international engagement with key corporate innovation leaders. This is not trade, it is innovation dialogue.

Innovation Programme Elements..

- **Regional innovation leadership structure**
- **A drive to create innovation hubs into the region in clusters**
- **Catalytic Innovation Competition. Smart specialisation focussed. Data for Growth…...**
- **A Grand Innovation Challenge, focussed on delivery of a broad community-observable benefit.**
- **Incubator development & support**
- **A regional innovation supernetwork/platform.**
- **An Innovation Observatory**
- **A clear outward-facing Innovation Brand..**



So, first, any progress in all this ?

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Regional Innovation Progress…Governance & Leadership

- Regional Innovation Board established…..all key stakeholders included..
- LEP Board Business members
- Appointed national/international business members (from key smart spec. sectors)
- University members (from all Universities at VC/PVC level)
- Local Authority members (Council Leaders). Chief Executive co-opted.
- InnovateUK member (and RCUK member to be appointed)

- Regional Innovation Director appointed, Hans Moller (formerly CEO of IDEON, Lund Science Park, Sweden)

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Regional Innovation Progress….Innovation Hubs

- £7.4m for **The Centre for Innovation in Formulation**, led by the Centre for Process Innovation (CPI) and to be based at NETPark, Co. Durham
- £5.6m for the **Low Carbon Energy Centre,** based at **Newcastle Science Central**;
- £5.6m for the **Newcastle Life Sciences Incubation Hub** based at Newcastle University;
- £6.8m for the **NETPark Science Park** Infrastructure development Phase 3;
- £3.5m for the **Sunderland Enterprise and Innovation Hub**, hosted at Sunderland University, which includes an important **FabLab**.
- £40m for the **National Centre for Ageing Science & Innovation** at Newcastle University
- £28m for the **National Formulation Centre** at CPI.

Each of these initiatives is called out within the LEP Strategic Plan
And has been supported directly by the LEP

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Regional Innovation Progress….Project Development

- Catapult innovation hub engagement.
- Major co-operative activity with CPI, part of the AVM catapult
- Satellite Applications Centre of Excellence
- Connected Digital catapult hub launched in Sunderland.
- National Renewable Energy Centre within the Offshore Catapult

- Emerging hub developments
- Durham University/P&G Centre for Innovation & Growth
- Neptune Centre for Subsea technology…..Newcastle University/Subsea North East
- Newcastle Science Central initiative (collaboration between Newcastle University/ City)
- Sunderland University Enterprise & Innovation Hub (with FabLab !)
-
- SuperNetwork platform development underway now
- Catalytic Competition ESIF calls during Spring 2016
- Grand Challenge cross-sectoral consultation underway

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Regional Innovation Progress….other elements..

- Business Support Hub development in beta-testing

Business support targeting innovation support to NE businesses

Access to finance, in particular the funds planned within Jeremie2 fund for proof of concept and prototyping

- High level skills. Collaborative work with the LEP skills leadership.

- Cross-LEP collaboration with Tees Valley LEP

The North East Innovation Programme.. What is the ongoing LEP role ?

Continued engagement with the regional Strategic Economic Plan for "more & better jobs", building on our "smart specialisation" strengths….

- **Funding**……acting as a gateway for ESIF and LGF funding.

- **Facilities**…..supporting the creation of best quality innovation-centric facilities eg Catapult engagement,, University links and supporting other innovation hub developments….Science Central etc,etc.

- **Networks**….ensuring that we all have access to business/organisational problem solving, "matching what's needed with what's possible for innovative growth".

- **Skills for Innovation**…..working with all partners to ensure that the community skill-base is capable of supporting innovation-centric growth in both private & public sector.

What's missing….work in progress ??

- How to make European Funding access simple & straightforward for businesses
- Engagement with SMEs…….for innovation program de-risking and support
- Driving inward innovation investment from corporates
- More incubation & research commercialisation
- Real entrepreneurship encouragement. "The InCredAbles"
- Further driving the region's global innovation profile.
- Dovetailing a really effective skills development programme

Lessons for the Northern Powerhouse….

- **We must drive the Powerhouse as an economic vision fuelled by innovation rather than as a political item with insular, local devolution debates at the heart. This is wasteful of an intrinsically 2050-relevant & useful concept.**

- An economic vision demands credible & authoritative leadership ie **business leadership**.

- We must focus on **core competitive innovation competencies**. What are we really good at as a Northern region ? Construct a rigorously analysed & informed smart-specialisation strategy.

- Develop the best possible cross-regional **problem solving digital platform**.

- Create **innovation hubs** that have de-risking facilities & are business-driven.

- Grow **cross-regional initiatives** within the University context (N8) and within key sectors (for example, TechNorth)

- Dramatically extend **incubator and managed accelerator** programmes.

- Build a fully-engaged skills programme that **keeps our best people here**.

- Re-apply **global best practice**.

Finally, finally, it's never easy.....

"It is far better to dare mighty things, to win glorious triumphs, even though checkered by failure... than to be one of those poor spirits who neither enjoy nor suffer much, because they live in a gray twilight that knows not victory nor defeat."

Theodore Roosevelt (1858-1919)

Thank you !

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