

Innovate UK Council Meeting – Minutes

7th March 2024

Manufacturing Technology Centre, Ansty Park, Coventry CV7 9JU

Attendees

Council Members	Other Attendees	Apologies
Indro Mukerjee (Chair) Annette Doherty (online) Isabel Fox (online) Jennifer Rubin (online) John Fingleton (online) John Gibson Mark Treherne Simon Weeks Tunde Olanrewaju (online)	Dave Wilkes Dean Cook Lisa Hazelden Mike Biddle Robert Shaw Stella Peace (online) Will Drury (online) Janet Geddes (online) Debbie Johnson Jodie Giles (online) Clare Lindsay Georgina Navalles Jonny Voon Laura Gataveckaite	Julia Sutcliffe Chris Ganje

Actions

Action #	Owner	Action	Date Due
1 - 070324	Rob Shaw	Write to DBT Permanent Secretary regarding IUK perspective on better connecting and coordinating the system to attract FDI, reflecting Council discussion and offering to help.	June 2024
2 - 070324	Jennifer Rubin	To mention the topic of FDI and related challenges at an CSA network meeting.	June 2024
3 - 070324	Lisa Hazelden	IUK to explore collaboration opportunities with Open University	June 2024
4 - 070324	Mark Treherne / Stella Peace	To facilitate connections with Anglia Ruskin University, particularly on healthcare.	June 2024
5 - 070324	Clare Lindsay	Invite Ilan Gur (CEO ARIA) to an IUK Council meeting to talk about ARIA.	June 2024

1. Welcome and introduction

The meeting was chaired by Indro Mukerjee. Indro welcomed the Board attendees and introduced an agenda.

No conflicts of interest were noted.

APPROVED: Attendees approved minutes from 30th November meeting as an accurate reflection of the meeting.

2. **Review of Innovate UK since last Council meeting** (Lisa Hazelden)

The [Innovation in Action link](#) was circulated in the meeting papers, providing links to key reports and platforms. Innovate UK has hosted 166 events in the last 3 months, with 78 more planned.

Place (Dean Cook):

Seven Local Actions Plans have been launched, with two (New Anglia and West of England) launched since the last Council meeting, and a recent One Year On event with Andy Burnham to celebrate progress since the launch of the Greater Manchester plan. The Chancellor's announcement of a Launchpad for Wales brings the total number of Launchpads to eleven. The Launchpad programme has been three times oversubscribed (£15m budget, £46m fundable, £91m applications). Dean noted the strong advocacy of Innovate UK initiatives from Andy Burnham and Andy Street.

Net Zero (Mike Biddle):

Net Zero domain engagement since the last meeting has included working with the Rolls Royce Institute and EPSRC, connecting the wider materials landscape. The Materials Research Exchange conference will be taking place in April. The team held a Parliament Reception for the Faraday Battery Challenge (FBC) in January, where Indro delivered a speech alongside Tony Harper, Challenge Director of the FBC.

IUK launched a refresh of the Transport Vision 2050, with updates around hydrogen as an energy vector for shipping and road heavy goods vehicles. The Net Zero team are also in the process of developing a battery finance proposal through the Products and Services Board, exploring different investment pieces and collaborating with UKRI and DSIT.

Healthy Living & Agriculture (Stella Peace):

Healthy Planet activity has included the successful completion of the Transforming Food Production challenge with this team transitioning to the Farming Innovation Programme with DEFRA, allocating £270M in the next 4 years.

Healthy People has seen the development of the Pathways to Antimicrobial Clinical Efficacy (PACE) partnership, a £30 million programme in collaboration with LifeArc and Medical Discovery Catapult for new pathways to antimicrobial resistance solutions.

Reaching People highlights included the Healthy Ageing Challenge conference attended by 700 people including Prof Chris Whitty, and the challenge close out event will be taking place later this month at the House of Lords. In addition, Our Future Health has reached 5 million participants, representing the diversity of the UK population. It will be an important capability for pharma businesses for future clinical trials.

Digital & Technology (Will Drury):

Will noted the Digital & Technology (D&T) domain is currently in the delivery phase, experiencing increased activity in commercialisation. The domain holds a strong position in Quantum with £70M allocated over the current and next financial year to support industrialisation. AI activity includes the £100m BridgeAI programme to accelerate AI adoption in key sectors, and the team are collaborating with the Healthy Living domain to introduce AI into the healthcare sector.

D&T are delivering on 4 of the 5 Science and Technology Framework technologies and are collaborating with the Healthy Living and Agriculture domain on Engineering Biology. Key activity for the next quarter involves working with an external consultant to structure all these

initiatives within our system, to continue delivering effectively while remaining accessible to the outside world.

Products and Services (Lisa Hazelden):

The name changes, Innovate UK Business Growth and Innovate UK Business Connect, have been launched with a positive response both internally and externally, resulting in a greater sense of identity and a more accessible portfolio. Key launches since the last Council meeting have been No Limits and Innovate UK Talent & Skills Connect.

We have signed a Memorandum of Understanding (MoU) with the British Business Bank and are continuing to collaborate with the London Stock Exchange Group. Innovate UK also hosted an Innovate UK Business Growth Conference, bringing together 400 colleagues across the entire Innovate UK ecosystem. The Secretary of State has publicly noted our commitment to reach 1 million innovators.

Looking ahead there are new product launches on the horizon such as Investor Connect, and we are in the process of formalising the new name for SBRI.

Spring Budget (Rob Shaw):

Rob provided a brief overview of the implications of the Spring Budget for Innovate UK. The main announcement relating to Innovate UK activities was the Wales AgriTech Launchpad. The creation of a taskforce to look at R&D tax credits to improve delivery issues was a welcome announcement. Innovate UK has a relationship with HMRC in some of these activities.

Indro closed the discussion thanking all the teams for all the work and effort done to deliver all these activities and recognising the progress made. Council members agreed and endorsed the name changes in demonstrating the cohesiveness of the Innovate UK offering.

3. Foreign Direct Investment (Rob Shaw & Janet Geddes)

Rob set the context of the conversation, with the findings of the Harrington Review, and the value of engaging with Council members to help develop Innovate UK FDI activities. Innovate UK is exploring different areas we could develop our activity to ensure investment is coming into the UK the right way and there is enough 'stickiness' to allow companies to remain in the country. He noted none of the options are straightforward given supply chain issues, international competition, and national security considerations.

Discussion:

The meeting discussed whether Innovate UK had the capability to provide investment for the infrastructure that would allow key industries such as quantum to develop at pace. It was noted we understand the technology and are working to identify the UK's strengths and areas that need to be developed on the grounds of resilience (e.g. batteries and nuclear).

Responsibility for FDI was discussed. DBT is the Government SRO but there is a complex regional and national landscape, including the Office for Investment, DBT and No.10 as well as regional players. It was noted that other countries are better coordinated, and government identification of joint priorities would be beneficial.

The outward-facing aspect of FDI was discussed, with the role of FCDO as a 'sales force' across the globe, and the value of Innovate UK working closely with DBT and FCDO colleagues. The meeting noted Innovate UK missions to key countries: Canada and Australis for AI, semiconductors with Taiwan on IP and building manufacturing capability in the UK.

It was noted there are some success stories that have driven investment as a result of a sector getting together and agreeing on clear priorities, medicines manufacturing was an example of that where the UK leading in regulation and research had led to success in cell and gene therapy, and during covid-19. A conclusion from this is that it is important to identify on what we want to lead; being clear on what were we offering to the world and having the right regulatory investment would result in increased FDI.

The meeting noted the level of effort required to coordinate across a fragmented landscape. The intent would be to move to a proactive approach and build a pipeline of priorities, with the simplification of the ecosystem being a key part of this.

The meeting discussed the importance of incentivising global entrepreneurs to stay in the UK. They represent a significant part of the intellectual property being sold to the NHS, and we do not want these innovations to move to other countries. Clearer signposting would help.

Indro noted Innovate UK did not own all the actions, but that we could act as a catalyst for others to take the necessary steps.

ACTION: Write to DBT Permanent Secretary regarding IUK perspective on better connecting and coordinating the system to attract FDI, reflecting Council discussion and offering to help.

ACTION (Jennifer Rubin): To mention the topic of FDI and related challenges at a CSA network meeting.

4. **Talent and Skills Deep Dive** (Lisa Hazelden, Dave Wilkes, Debbie Johnson)

Lisa emphasised the importance of talent and skills in driving innovation and growth across all domains, supporting innovation journeys across the cube. Lisa acknowledged the fragmented skills landscape and discussed how Dave and Debbie had been instrumental in developing talent and skills programmes over the past years.

Debbie highlighted recent launches and initiatives, particularly the IUK Talent and Skills Connect platform and the No Limits platform. The Talent & Skills Connect platform target is to have 150 partners by the end of the year, and aims to reduce the fragmentation and duplication within the skills space. No Limits builds on the IUK's commitment to reach 1 million people this year, highlighting the need for collaboration with partners to maximise the No Limits impact. The No Limits platform now includes Young Innovators but will have other cohorts such as Women in Innovation, with the aim to reach 500 partners by the end of this year.

Discussion:

Council members were enthusiastic about Innovate UK's skills activities.

The meeting discussed the importance of accreditation. Innovate UK works with University Technical Colleges (UTCs) and other further education colleges, with the aim of amplifying existing opportunities and activities. Indro confirmed Innovate UK is building connections across the whole system, and noted Innovate UK has built strong connections with the '92 Universities. No Limits was launched at UTC Leeds to highlight the importance of further education within the broader skills system.

Council members suggested engaging with the Open University, as well as working with membership organisations such as Royal Societies and trade associations which have an interest in future skills. The NHS was also noted as a significant source of opportunities.

The meeting discussed Innovate UK's role within the ecosystem. Other players include DfE as well as regional players with skills being a devolved competency. It was noted that the UK could learn from the Swiss, Germany and Singapore where technical education is prioritised. It was confirmed Innovate UK is working with DSIT to identify the right foresighting areas, and are streamlining coordination with the DfE's Unit for Future Skills so that data on the Foresighting Hub can be used and understood by the wider skills ecosystem (e.g. setting apprenticeship standards).

Lisa thanked all the teams involved for delivering the talent and skills work.

Indro invited Council members to share any additional feedback on the Talent & Skills Connect in the platform.

ACTION: Innovate UK to explore collaboration opportunities with Open University.

ACTION (Mark Treherne with Stella Peace): To facilitate connections with Anglia Ruskin University, particularly on healthcare.

5. **Ofgem Managed Programme Deep Dive** (Mike Biddle and Jodie Giles)

Mike and Jodie outlined the Strategic Innovation Fund (SIF) Programme's vision of accelerating the transition to net zero at the lowest cost to consumers, making the UK the best place for businesses to grow and scale. The programme has built a strong and good relationship with its customer, Ofgem, with the team shaping and framing the programme.

The SIF focus includes delivering tangible benefits, such as significant emissions savings, opening market opportunities through a different funding model and improving evidence and data management for future initiatives. It was noted that the SIF model is a template that could be replicated across different stakeholders and clients, thereby strengthening IUK ecosystem's position as leader in the net zero.

Discussion:

Council members noted the synergy potential of the programme, which could be replicated in other utilities such as water or in energy needs for data centres and AI development, as well as transportation challenges. There are opportunities of leveraging UKRI resources to foster cohesion in innovation across fragmented utility and transport hubs in the UK, which could be a topic for discussion at the UKRI Board.

Council liked the SIF model's simplicity and purpose. The meeting discussed the metrics of success that are being used to measure this partnership and make a decision towards SIF 2.0, with broader measures and systemic tools required to facilitate scaling, such as attracting private investors or linking with other UKRI funds. The value of helping Ofgem reach more stakeholders and people directly rather than through intermediaries was noted.

The meeting noted part of the value of the programme was that it was enabling and catalysing innovation in a sector that would otherwise not innovate. Innovate UK is having conversations with Ofwat for this reason and there are opportunities in other utility sectors.

Indro summarised the discussion and thanked everyone for their contributions.

6. **AOB and Close**

Council members asked about Advanced Research and Invention Agency (ARIA) and their role in the innovation ecosystem. Indro explained that due to ARIA being relatively early into its life it remains to be seen. He added that ARIA follows an Advanced Research Projects Agency (ARPA) model, and has highly empowered Programme Managers that focus on early-stage A-Z ventures.

ACTION: To invite Ilan Gur (CEO ARIA) to an Innovate UK Council meeting to talk about ARIA.

Indro thanked everyone for their work and contributions and closed the meeting.