

Local Enterprise Partnership

13 January 2022

South Yorkshire Innovation Board

Is the paper exempt from the press and public?	No
Purpose of this report:	Discussion
Is this a Key Decision?	No

Director Approving Submission of the Report:
Ruth Adams, Deputy Chief Executive

Report Author(s):
Andrew Gates
Andrew.gates@southyorkshire-ca.gov.uk

Executive Summary

This paper sets out a proposal to establish a South Yorkshire Innovation Board (SYIB), tasked with leading on operationalising the innovation and productivity enhancing activity set out in the region's Strategic Economic Plan. The Board will be the place where the principal innovation actors, idea generation, advocacy, innovation businesses and thinkers converge to craft the South Yorkshire innovation story, steer the plan of action and oversee its implementation.

What does this mean for businesses, people and places in South Yorkshire?

A successful South Yorkshire Innovation Board (SYIB) will support businesses, people and places to thrive by leading on the development of interventions across the public and private sector that will stimulate idea generation, the commercialisation of those ideas, the scale-up of existing businesses with latent productive capacity and the attraction of new public and private R&D investment into South Yorkshire.

Recommendations

That Board members:

- 1) Approve the recommendation at 3.1 to establish a South Yorkshire Innovation Board.
- 2) Consider and inform the proposed objectives, membership and the headline terms of reference set out in section 3.2, 3.3, 3.4 and 3.5.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Not Applicable

1. Background

- 1.1 The Strategic Economic Plan sets out the importance of, and the focus for, a radical new approach to unlocking the innovative capacity of the region. The MCA, LEP and partners have made huge progress in driving the innovation agenda forward. In particular, the programme of investment made in supporting both indigenous and inward investors to grow, direct investment in South Yorkshire based research centres, and the host of business support programmes that exist to support innovation. Notable assets include the National Centre for Food Engineering, the Sheffield Hallam AWRC and the wider Olympic Legacy Park development, the new Gene Therapy Manufacturing Innovation Centre, the Translational Energy Research Centre, the UKRIIN Rail Innovation Centre and the University of Sheffield's AMRC and NAMRC.
- 1.2 Despite these efforts and being the location for a host of nationally and internationally significant higher education and translational research centres, South Yorkshire remains one of the least productive and innovative economies in the United Kingdom. Our assets are not fully exploited, nor do they span the full geography of South Yorkshire.
- 1.3 The challenge set out in the SEP requires a concerted effort across a host of partners and stakeholders to make more of our existing assets, to grow further the translational research offer and to connect our businesses to them, to develop new business support programmes, to stimulate networks and collaboration and to shift perceptions locally, nationally and internationally about the nature, potential and prospects of South Yorkshire's economy.
- 1.4 This is the right time to take this work to the next level. The Government's Levelling Up White Paper is expected to have a focus on place-based R&D. The development of the South Yorkshire Renewal Fund and new opportunities such as the Government's Shared Prosperity Fund will give the region and local partners some more locally controlled tools to invest in growth.

2. Key Issues

- 2.1 **A renewed clarity of focus.** The SEP makes clear that we must
 - i) Grow innovation and its stickiness in South Yorkshire, ensuring that entrepreneurs are supported to flourish here, and increasing the number of IDEs exponentially
 - ii) Create physical clustering high growth, high value businesses across South Yorkshire
 - iii) Create business networks and networking, connected to our translational research assets wherever possible.
 - iv) Improve adoption of technology by businesses and thereby improve productivity and competitiveness in the supply chain
 - v) Intervene to create the conditions that bring in the level and type of finance needed.

- vi) Enable access to a menu of private finance solutions, at scale, including Angel Finance, loan finance, equity finance, venture capital for South Yorkshire.

2.2 **Partnership building and building the networks.** There is no single place in South Yorkshire where private sector, public bodies, research councils, funders, and organisations such as Innovate UK come together to develop our innovation story, steer policy and shape interventions. It is critical that we engage with the right institutions and influencers in Whitehall and NDPBs, businesses, partners and potential investors and supporters in the work of any new governance body/structure.

2.3 **The primary role of the LEP and MCA.** Any new structures must be established formally under the governance purview of established structures, with a clear line of sight and accountability.

3. Options Considered and Recommended Proposal

3.1 Option One

3.1.1 It is proposed that a **South Yorkshire Innovation Board be established** to provide leadership on the key issues set out in Section 2.

3.1.2 Subject to agreement from the LEP Board and the Chair of the SYIB, the agreed objectives (draft below) will form the basis of a focused terms of reference:

- i) Provide leadership to drive and deliver a new approach to economic development in South Yorkshire centred around innovation. In particular, this includes operationalising the SEP ambitions across start up, scale-up, commercialisation and the industrialisation of ideas, new supply chain opportunities, and clustering.
- ii) Lead the development of an enabling ecosystem which fosters a culture of successful innovation and ensure the necessary components are in operation and functioning well in SY.
- iii) Harness and extend the impact of South Yorkshire's innovation assets regionally and nationally.
- iv) Provide leadership which ensures the development of translational research and clusters in specific thematic areas where South Yorkshire has a competitive advantage. These include Sustainable Manufacturing and Engineering; Energy; Digital Technology; Health and Wellbeing and Advanced Logistics.
- v) Ensure South Yorkshire's innovation ecosystem system supports productivity improvements across a range of lower-paid sectors through investment, training, use of technology or adoption of improved process.
- vi) Provide leadership which ensures that inclusive outcomes are hardwired through all innovation and growth interventions. Transforming South Yorkshire's innovation ecosystem should create opportunities for all people, regardless of age, gender, ethnicity, or other circumstances.
- vii) Collaborate and connect with other Innovation Boards and advice on how South Yorkshire can learn from peers.
- viii) Develop strong relations with partners, especially central Government and complementary publicly funded bodies.
- ix) Identify and promote growth opportunities for South Yorkshire.

3.1.3 **Appointment of a Chair.** The Chair of the LEP in consultation with the Mayor, will appoint the Chair of the SYIB.

- 3.1.4 **Governance.** The Board will sit under the governance of the LEP and the MCA. The LEP as a partnership between the public and private sectors would establish this body and formally approve its terms of reference. Support from the MCA Executive will be hardwired into any new structure ranging across functions including data and insight, policy development, governance and secretariat, communications and advocacy.
- 3.1.5 **Membership.** The Board must be private sector-led and dominated. It should have enough distance from the MCA and LEP to be independent in its thinking, being creative and fearless in challenging the orthodoxy, in designing solutions that work for South Yorkshire and that deliver the SEP objectives. It must also speak with credibility and purpose at the local, regional and national stage.

The Board should include at least one of the following stakeholders: entrepreneur, risk capital, corporate, government, and university. Membership should be drawn from anchor institutions, innovative businesses in our sector specialisms, research bodies and the finance and corporate world in such a way that the key stakeholders in the innovation ecosystem are well represented. The Board should also strike the right balance in terms of gender, ethnic and demographic representation. Private sector representation on the Board must include both SME and big business.

3.2 **Option Two**

Do minimum – the Board could opt to continue with present arrangements and perhaps appoint an Innovation Champion from amongst its current membership.

Implications – this may increase the focus on innovation and provide some form of focal point for related policy development. However, this could miss the opportunity to transform the regional innovation landscape and ecosystem. It may not send out the “right” signals to the government and the private sector about the scale of the Board’s ambition and its seriousness in pursuing innovation as a key means of growing an inclusive economy.

4. **Consultation on Proposal**

- 4.1 There has been no formal consultation sought on this proposal. However, soundings have been taken with national bodies including Innovate UK and some regional partners as to the need for, and focus of, a South Yorkshire Innovation Board.

5. **Timetable and Accountability for Implementing this Decision**

- 5.1 Subject to the discussion at LEP Board, the MCA Executive will refine the proposed objectives, terms of reference and membership with an intention of making significant progress both publicly and privately, including identifying potential candidates for Chairing the Board and, if possible, establishing a Shadow Board before the end of March 2022.

6. **Financial and Procurement Implications and Advice**

- 6.1 There are no direct funding or procurement implications as a result of the recommendation set out for approval by LEP Board.

7. Legal Implications and Advice

- 7.1 The MCA has the power to promote the economic development and regeneration of its area using the general power of competence under s.1 Localism Act 2011.

8. Human Resources Implications and Advice

- 8.1 Not applicable

9. Equality and Diversity Implications and Advice

- 9.1 Transforming South Yorkshire's innovation ecosystem should create opportunities for all people, regardless of age, gender, ethnicity, or other circumstances. The proposed terms of reference include a specific reference to ensuring that the Board has this as a focus. To successfully deliver on that objective it will be important that the membership of the South Yorkshire Innovation Board also reflects the diversity of the businesses and people we want to support and the communities we serve.

10. Climate Change Implications and Advice

- 10.1 Not applicable

11. Information and Communication Technology Implications and Advice

- 11.1 Not applicable

12. Communications and Marketing Implications and Advice

- 12.1 If Members approve the proposals there will be a considerable communications, marketing and advocacy focus to support the SYIB deliver on its objectives. This support will be hardwired into the work of the Board through the MCA Executive Team.

List of Appendices Included

None

Background Papers

None