

Local Enterprise Partnership

12 May 2022

South Yorkshire Innovation Board

Is the paper exempt from the press and public? No

Reason why exempt: Not applicable

Purpose of this report: Discussion

Is this a Key Decision? No

Has it been included on the Forward Plan? No

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Executive Summary

This paper provides an update on the progress of establishing a South Yorkshire Innovation Board (SYIB), tasked with leading on the development of innovative solutions to achieving innovation led growth at scale and across South Yorkshire as set out in the SEP. The board will also be the place where the principal innovation actors, innovative businesses, and thinkers converge to craft the South Yorkshire innovation story and provide this along with solutions for consideration by the LEP (and its successor body) and adoption by the SYMCA.

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

A successful SYIB will underpin the SEP ambition to provide the enabling conditions for innovation to drive the transformation of the South Yorkshire economy. Increasing the volume of innovative start-ups and scale-ups and supporting existing businesses to generate and commercialise new ideas, adopt new thinking and technology is fundamental to improving the productivity of South Yorkshire. A thriving innovation eco-system will support the development of a local economy where businesses, entrepreneurs and individuals are engaged and inspired to innovate.

Recommendations

That the Board notes the progress towards the formation of a South Yorkshire Innovation board.

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

Non-Applicable

1. Background

- 1.1 Innovation, adoption and defusal is critical to the long-term health of the South Yorkshire economy. Evidence suggests that areas that invest in research and development and businesses that access innovation support activity create higher quality jobs and are more likely to export and grow their business.
- 1.2 South Yorkshire has long recognised the importance of driving the innovation agenda; support has been in place for both indigenous and inward investors to grow through 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 Advanced Wellbeing Research Centre (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 Advanced Manufacturing Research Centre (AMRC) and Nuclear Advanced Manufacturing Research Centre (NAMRC) and the Digital Media Centre. It has also found expression in the Made Smarter programme and a host of smaller programmes supporting business change and adaptation.
- 1.3 The proposal for the formation of a South Yorkshire Innovation Board was approved by the Local Enterprise Partnership Board on January the 13th 2022. The intention to launch the Board was made public at the South Yorkshire Economic Summit. The board will provide strategic leadership of the 'innovation' agenda by bringing together the private sector, public bodies, research councils, funders, and innovation orientated organisations. This paper provides an overview of progress to date and provides an overview of forthcoming activity for consideration by the Board.
- 1.4 The MCA has agreed to the development of a South Yorkshire Transformational Impact Investment Plan (TIIP); which will explicitly be focused on delivering the SEP through the resources available in the South Yorkshire Renewal Fund.

2. Key Issues

- 2.1 **Appointment of a Chair:** The process of identifying and selecting a chair for the SYIB has been on-going since the decision taken by the LEP in January 2022. The Mayor and Chair of the Local enterprise partnership (LEP) have appointed Lynda Shillaw, Chief Executive of Harworth as

Chair for an interim period of 1 year to set up and initiate the activities of the Innovation Board. At the end of this period the incoming Mayor, in consultation with the Lep Chair (or its successor body) will have the option to further consider the Chairing options..

- 2.2 **Membership:** The Chair of the SYIB, in consultation with the chair of the LEP and the South Yorkshire Mayor, will determine the makeup of the Innovation Board, agree the final terms of reference and undertake selection/recruitment of the board members.

The Membership will 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.

It should be noted that membership will need to be carefully considered to ensure a well-balanced board of diverse perspectives, Industry expertise and innovation experience to encourage discussion, debate, and creative tension to stimulate thinking and ideas that lead to well-informed risk-reward assessments about proposals to address South Yorkshire innovation challenges.

- 2.3 **Objectives of the SYIB:** The LEP board paper presented on January 13th, 2022 (see background paper) outlined the future high-level objectives of the SYIB, further discussion with stakeholders and the outputs of the South Yorkshire Economic Summit have helped to refine these objectives into three key themes for the board to focus on.

Whilst a critically important Board it will not be an executive body. It is there to develop solutions that the LEP and the MCA will need to take on the programmes and investment, in particular the content of the TIIP.

- 2.4 **Innovation driven business growth**

Feedback from the South Yorkshire Economic Summit (SYES) clearly indicated that most businesses recognise that embracing disruptive activity will be key to unlocking latent growth in the South Yorkshire economy. However, it was equally clear that many are struggling with the concept of innovation and how it enables and how it leads to sustainable growth without generating intolerable levels of risk and uncertainty.

The innovation board will focus on activity that helps facilitate the capacity of businesses and entrepreneurs to pivot with novel products, services and business models that promote exploration, discovery and fast, affordable experimentation to support both incremental improvements and breakthrough innovation.

It will focus on the key elements of the SY innovation ecosystem that must be put in place to support productivity improvements across a range of sectors through investment, land allocation, research, partnership building, training, and use of technology or adoption of improved process.

2.5 **Skills for Innovation:**

The relationship between skills and innovation is well defined and accepted. Previous focus has been almost exclusively on the role of universities and the capacity for high growth start-ups as a route to a higher proportion of Innovation Driven Enterprises (IDE) and associated job creation.

To complement our higher education provision additional focus will also be placed on intermediate skills and intrapreneurship to ensure our diverse communities are further engaged in the benefits of innovation and we utilise the talents of SY residents by creating a highly trained local workforce.

The innovation board will focus on finding routes to increasing practical and technical skills that underpin research and development and look at ways of reducing the barriers to South Yorkshire residents engaging in the training required to enable an innovation intensive economy.

In addition, the Innovation board will also explore routes to increasing the demand for skilled individuals from employers and explore innovative routes to deliver industry driven skills provision that meets the current and future needs of employers.

2.6 **Access to finance:**

The need to continue to improve the availability of finance is key to supporting innovative companies' capacity to grow, however a combination of a complicated financial landscape and underdeveloped early-stage finance market in South Yorkshire are acting as a break on economic growth.

To support SY ambitions the Innovation Board will need to explore in granular detail the funding landscape we need to develop to support innovative firms. The scope is wide, but the SYIB will lead our thinking on this issue; including looking at existing schemes such as the Northern Gritstone Fund, existing British Business Bank and commercial schemes and other investment vehicles. The board will explore novel solutions that include co-investment models and look to influence the criteria for funding acceptable to include greater emphasis on larger socio-economic benefits as well as the traditional future profitability.

2.7 **The Blavatnik School of Governance (BSG):**

Discussion debate and disagreement between diverse perspectives is critical to driving forward innovation. To ensure there is robust challenge and new viewpoints a consortium of academics led by Professor Sir Paul Collier will provide external support to define the questions we want the innovation board to answer, to provide national and international experience of what works and to provide independent evaluation of the actions we take in South Yorkshire.

The group will support the development of a shared set of assumptions on the areas of focus for South Yorkshire and the future development needs of our businesses.

3. Options Considered and Recommended Proposal

3.1 N/A – discussion paper

4. Consultation on Proposal

4.1 There has been no formal consultation sought on the formation of a South Yorkshire Innovation Board. Soundings have been taken with national bodies including Innovate UK, other MCAs who have already established Innovation Boards and with Government Officials. Further informal consultation with businesses and partners has taken place at the South Yorkshire Economic Summit on the 9th of March 2022. Feedback received on the need for and focus of the SYIB has been incorporated into this update.

5. Timetable and Accountability for Implementing this Decision

5.1 An indicative timeline of activity is as follows:



6. Financial and Procurement Implications and Advice

6.1 There are no direct funding or procurement implications as a result of the 13th January LEP board approval for the formation of SYIB.

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 (appendix 1) 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 Provision for substantial communications, marketing and advocacy to support SYIB to deliver on its objectives will be hardwired into the work of the Board through the MCA Executive Team.

List of Appendices Included

- A Draft SYIB terms of reference

Background Papers

LEP board paper 2013 South Yorkshire Innovation Board