

BUSINESS GROWTH BOARD

25 February 2020

Massachusetts Institute of Technology (MIT) Regional Entrepreneurship Acceleration Programme (REAP) – developing SCR's Economic Strategy

Purpose of Report

To provide Members with information on the Massachusetts Institute of Technology (MIT) Regional Entrepreneurship Acceleration Programme (REAP). To advise of the submission that was made for the SCR to participate and that having been approved by BEIS and MHCLG as one of 6 successful regions, to work with MIT and BEIS to provide an update to members on the programme and the activity to be undertaken.

Thematic Priority

Ensure new businesses receive the support they need to flourish.

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Combined Authority Publication Scheme

Recommendations

That the Business Growth Board:

- Notes the successful bid to participate in the programme and considers the work entailed in this programme;
- Considers any lobbying or communication strategies positioning the SCR as the place for Government to focus on innovation in the North

1. Introduction

- 1.1** The UK Universities sector is third largest globally for publishing research papers but too many ideas are left in labs. In contrast, MIT was created to support the application of research in business and specialises in commercialising ideas and spin-outs. MIT has been responsible for approximately 30,000 active companies employing about 4.6m people. This dwarfs anything done by Cambridge or Oxford.
- 1.2** MIT extrapolate their successful economic development model based on innovation to other city regions across the world. The UK government has partnered with MIT to run a version of their global Regional Entrepreneurship Acceleration Programme (REAP) with six UK regions. The Executive made a submission on behalf of the SCR region based upon the emerging themes of the developing economic plan and were selected as one of the successful six areas.
- 1.3** The project will result in a SCR action plan focusing on implementing proposals to increase productivity through innovation. This correlates neatly to what we are proposing in the Strategic Economic Plan (SEP).

2. Proposal and justification

- 2.1 The MIT model is based on bringing together stakeholders to work together to deliver greater levels of business spin-outs. The philosophy is that greater levels of business spin outs will only be achieved by a diverse partnership as change cannot be successfully achieved by just one 'player' in one 'place'. MIT provide a practical approach to strengthening innovation-driven entrepreneurial ecosystems or formalised collaborative partnerships.
- 2.2 The model advocated by MIT is to put together a team drawn from different disciplines who, through close collaboration, create the conditions to accelerate entrepreneurship. The team has to comprise the following stakeholders.



The SCR Team

- 2.3 Dave Smith, CEX SCR Executive, will lead the team, alongside Sharon Kemp LA CEX with lead responsibility for Business Growth. The remainder of the team are being approached but it is proposed we approach leading experts in translational research, the Chief Economist at the Bank of England (alumni of the University of Sheffield), a London-based risk capital firm, one of the big four accounting firms, as well as a prominent business based in the SCR, looking at a business in a traditional sector where the sector is required to innovate and a business from a new technology sector. When the team is formed, MIT will work with us, and the other five regions, in a structured programme seeking to grow our ability to collaborate to create growth in entrepreneurial businesses.
- 2.4 Feedback received was that Government liked how the SCR submission, based on what is in the SEP, resonated with their desire to support the development of innovation-driven entrepreneurial ecosystems in the regions. The prestige of working with MIT and having their insight to sense check the proposals in the SEP will be helpful in delivering what is needed for the SCR economy.
- 2.5 The REAP project will also report to the Prime Minister's office, so it is a good opportunity for the SCR to promote its ambitious and transformative economic strategy. It is positive that the proposals in the SEP have already landed well with Government. Working with MIT will add world-renowned academic rigour to SCR's economic interventions. It is positive that the innovation-focused growth aspirations of the SEP, that formed the basis of the submission to this project, has been endorsed by Government.

3. Consideration of alternative approaches

- 3.1 We could have not made a submission to the project; however, as the Government is keen to pursue its levelling up agenda, it is vital that SCR is seen as a place to focus on.

4. Implications

4.1 Financial

BEIS covers 50% of the cost of the project, and SCR 50% - a contribution of £25,000. This has been achieved from the 2019/20 budget. There will be other incidental costs for travel and accommodation for two workshops.

4.2 Legal

There are no legal implications arising from this report

4.3 Risk Management

No risk analysis was deemed necessary for this project.

4.4 Equality, Diversity and Social Inclusion

No requirements associated with the endorsement of this paper.

5. Communications

5.1 Proactive communications opportunities will be sought at appropriate milestones throughout the project, to gain maximum positive publicity from the partnership.

Communications work will be carried out in collaboration with partners, including BEIS, and other local stakeholders, and will be delivered across a variety of channels, including through digital, social and traditional media.

We will actively disseminate the findings of this work, through the project team to other regional partners as part of our communications strategy for the SEP.

6. Appendices/Annexes

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: