

Innovate UK

Meeting of the Governing Board - Minutes

Wednesday January 24th 2018

08.30 for 08.45-09.30 (Private session) / 09.45-14.00 (Full meeting)

Cisco, Finsbury Circus, EC2M 7EB

	Attendance – private session	Attendance – main meeting
Governing Board:		
Phil Smith (Chair) – by telepresence	Present	Present
John Latham	Apologies	Apologies
Hazel Moore	Present	Present
Gerard Grech	Present	Present
Tim Edwards	Present	Present
Harry Swan	Present	Present
Priya Guha	Present	Present
Simon Devonshire	Present	Present
Attendees:		
Ruth McKernan	Present	Present
Kevin Baughan	Present	Present
Ruth Elliot	N/A	Present
Simon Edmonds	N/A	Present
Ian Meikle	N/A	Present
Ian Campbell	N/A	Apologies
Paul Mason	N/A	Present
Tim Sawyer	N/A	Present
Mike Biddle	N/A	Present
Michael Warren	N/A	Present
Sarah Vodden	N/A	Present
Anne Dixon	N/A	Apologies
Nigel Townley	N/A	Apologies
Anne Shaw	N/A	Apologies
Sir Harpal Kumar (Observer) ⁺	Attending	Present
Stephen Axford (Observer) ⁺⁺	N/A	Present
Greg Falconer (Observer) ⁺⁺	N/A	Apologies
Jenny Dibden (Observer) ⁺⁺	N/A	Apologies
Sophie Dale-Black (Secretariat)	N/A	Present
Also attending:		
None		

⁺ Observer as Innovation Champion for UK Research and Innovation

⁺⁺ Observer for the Department for Business, Energy and Industrial Strategy

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1. Welcome

Phil Smith chaired the meeting and welcomed attendees.

1.1 Apologies

Apologies were recorded as shown above.

1.2 Declarations of interest

Simon Devonshire noted that one of his ventures had applied for Innovate UK funding, and advised that he would update his declarations of interest for the records.

2. Minutes and matters arising

2.1 Minutes of the last meeting

GB_2017_12_07_Minutes were agreed as an accurate record of the meeting on December 7th 2017.

3. Business as usual

3.1 CEO report

The CEO report GB_2018_01_24_Paper_2 was discussed. Ruth brought Governing Board's attention to the key issues section within the paper. Ruth discussed the very strong and significant role played in developing the business case for the Industrial Strategy Challenge Fund across a large UK Research and Innovation (UKRI) group under the leadership of Mike Biddle. The Governing Board recorded their thanks for this high quality and important work. Ruth also updated the Governing Board on progress with the launch of the #ideasmeanbusiness programme with the Prince's Trust.

The variation of success rates across Innovate UK competitions was discussed, particularly noting the 8% success rate for Open programme competitions. Governing Board members asked about the handling of feedback given to unsuccessful applicants. Sarah Vodden explained that every assessed applicant receives feedback from independent assessors of their proposal, and that the Innovation Funding Service (IFS) online system will speed up the time it takes to send feedback to applicants. Discussion took place regarding how to signpost unsuccessful applicants to further support, including other funding sources and organisations such as the KTN. Sarah explained that there are existing clauses in the proposal application process that allow for sharing of proposals with appropriate funders, and that there were opportunities in this area.

Action - Sarah Vodden to discuss with David Wilkes how best to take unsuccessful applications forward with regional funders and how to link with the regional place agenda

Governing Board members congratulated Sarah Vodden on her permanent role as Operations Director, and commended the Innovate UK team on progressing and

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completing such a large amount of activities during a busy transition period towards the creation of UKRI.

3.2 Catapults

Simon provided a verbal update on the current planning and strategy development process for Catapults. Simon explained that Innovate UK sector teams have provided feedback, and that the strategy and delivery plan for each of the seven Catapults not in special planning are receiving feedback from the Department for Business, Energy and Industrial Strategy (BEIS) and other government departments. The business case for the Catapult Network is in preparation, ready for consideration through the BEIS Project and Investment Committee process. Legal processes are underway to provide guidance regarding any legal changes to Catapults that may be required, including the adaption of the Catapults' grant funding agreements to accommodate recommendations from the EY report. The three Catapults in special planning - Digital, Future Cities, Transport Systems - have a slightly longer timescale for producing their strategies and delivery plans. Sir Mark Walport is undertaking visits to each of these Catapults, to discuss plans with the leadership teams. Simon noted that Bernadette Kelly, Permanent Secretary for the Department for Transport, was visiting the Transport Systems Catapult on the day following the Governing Board meeting.

Ruth described activities to communicate the Catapults' work, including speaking about the Catapults' role in delivering the Industrial Strategy, and by visiting and speaking at events run by Catapults. Governing Board members agreed that it was important to amplify each Catapult's key communications.

3.3 Finance update

Ruth Elliot presented GB_2018_01_24_Paper_3, explaining that Innovate UK targets expenditure to a maximum of 1% under budget with no overspend.

3.4 Investor partnerships and innovation loans update

Tim Sawyer presented GB_2018_01_24_Paper_4, highlighted that Governing Board member Priya Guha has joined the Investor Partnership Advisory Board, with Governing Board member Hazel Moore chairing the Innovation Loans Sub-committee. Hazel commented that the team had delivered an excellent programme in a short time.

Governing Board members asked about the spread of enquiries into loans across the UK. Tim explained that competition applications so far have had a good regional spread, and that his team has been running events around the UK to raise awareness. Tim particularly noted enthusiasm from small companies looking to scale up. Discussion continued on the regional theme, highlighting the regional spread of investor partnerships work, especially outside the traditional 'golden triangle'.

The opportunity for international investment funding within the investment accelerator programme was discussed, with Kevin Baughan explaining that he had discussed with a number of Governing Board members a package for funding and visas for businesses looking at global opportunities, that could help in attracting entrepreneurs to the UK.

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Discussion progressed to consider options for a holistic communications package that brings together tools and offerings from organisations such as Innovate UK, the British Business Bank and Tech Nation.

Action - Michael Warren to consider a holistic communications package on tools and offerings for investment

Action - Kevin Baughan to continue discussions with Governing Board members on opportunities for supporting global entrepreneurs

4. Cross-cutting themes

4.1 Regional and Strength in Places Fund

Mike Biddle presented GB_2018_01_24_Paper_5, discussing Innovate UK's regional programme and its work within UKRI's Strength in Places Fund. David Sweeney, Executive Chair of Research England, has been appointed as Senior Responsible Officer for place-focused activities. Discussion focused on investing in existing activities around the UK compared to encouraging the development of new clusters, and the interplay of place and skills funding. The successes of cluster development in Sheffield and Blythe were used as examples, with the neutral convening role of Catapults in those areas being highlighted.

Discussion continued on the risks to consider in the short and long term, regarding place based investment, particularly noting that clusters take time to build and scale. The balance between incumbency and development of new opportunities was highlighted as key.

Action – Mike Biddle to continue development of the place-based work with the regional team

4.2 International

Mike presented GB_2018_01_24_Paper_6. Andrew Thompson, Executive Chair for the Arts and Humanities Research Council has been identified as UKRI's Senior Responsible Officer for international activities. £110 million has been allocated to the Fund for International Collaboration.

5. New opportunities - Strategic Priorities Fund

UKRI has identified a Strategic Priorities Fund, requesting proposals from Innovate UK, the Research Councils and Research England for expenditure. Discussion in this section of the meeting focused on confidential proposal development.

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6. AOB

6.1 Declarations of interest

Sophie Dale-Black advised Governing Board members that they were all required to update their declarations of interest by the end of the financial year, and to also submit new declarations of interest as these become apparent.

6.2 Council recruitment

Ruth McKernan advised that recruitment to the Innovate UK Council was progressing within the process led by UKRI, with an aim to announce the membership in March.

6.3 International Business Festival

Michael Warren advised Governing Board members that Innovate UK would be a part of the International Business Festival in 2018, rather than holding the large event that has been in November in previous years. Speakers are being lined up for the event, with a themed presence from Innovate UK across the three-week exhibition. Michael highlighted that it had been agreed that the presence at the event will be combined across Innovate UK, UKRI, BEIS and the Department for International Trade, with branding approaches to be confirmed.

Action – update on the International Business Festival to be on the March 28th 2018
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6.4 STEM (Science, Technology, Engineering and Mathematics) skills

Stephen Axford explained that the National Audit Office (NAO) had published a STEM skills report recently, in which the NAO highlights the Department for Education as delivering on this topic. The BEIS Permanent Secretary will be speaking on the topic at a Public Accounts Committee meeting, and a cross-Whitehall Group has been created, with Jenny Dibden attending.

Ruth noted that this was Stephen Axford's last meeting as he has a new role outside of Government. The Governing Board thanked Stephen for his contributions over the last few months.