

Business Innovation Forum (BIF) Meeting 2 – 19/04/2022

Introduction

1. The chair of the Business Innovation Forum (BIF) thanked members for joining the group's second meeting and welcomed new members.
2. The Secretary of State for BEIS reiterated his key priorities – including Energy, Net Zero and Innovation (ENZI) – and set out the Government's vision to make the UK a global hub for innovation by 2035. Working with the BIF, delivery partners and across Whitehall to implement the Innovation Strategy effectively is one of the most impactful things BEIS is currently working on.
3. The Secretary of State welcomed future engagement with the BIF to unlock more investment in innovation, identify opportunities to further drive innovation and trouble-shoot any issues early.
4. The Minister for Science, Research and Innovation confirmed that engagement with innovation leaders through the BIF is essential to tackling current issues and delivering against government's top priorities. Innovation is particularly important for driving productivity, investment and levelling up. The Minister asked that the BIF act as an honest forum for voicing innovation priorities.

Strategic Overview of Innovation Strategy Implementation

5. The BEIS Director for Science, Research and Innovation explained that since the publication of the Innovation Strategy in July 2021, BEIS has worked with partners across Whitehall, the devolved administrations, industry and academia to implement actions over the four pillars: Unleashing Business, People, Institutions and Places, Missions and Technologies.
6. They also noted that key milestones have already been achieved, including the record level of investment for the UK research base achieved at the Spending Review and the launch of five new projects through UKRI's Strength in Places Fund. There is ongoing work to complete outstanding actions over the coming years.
7. Members reflected on progress of Innovation Strategy implementation and UK innovation more broadly:
 - Having innovation at the heart of our future economy is the right approach.
 - The 'open innovation' approach – a mindset that fosters collaboration between innovating organisations – presents an opportunity for the UK to maximise innovation. To be globally competitive, government departments and public bodies must be well aligned.
 - Flexible regulation remains an important factor in developing an innovation economy. Balancing the need for international collaboration with national security is important.
 - Businesses may be keener to work with the UK if it is seen as a place for exciting, higher-risk initiatives.
 - When looking to attract and retain interest in conducting R&D in the UK, there may be opportunities to develop existing financial levers, such as R&D tax credits, public market opportunities and the Venture Capital Trust scheme, in addition to what has already been committed to in the Strategy, to increase finance for innovation.
 - The UK's research is highly regarded and development is relatively competitive, but more we can do on commercialisation.
 - Skills are an essential part of building an innovative economy. Despite the high calibre of UK graduates, it can be challenging to find the skills required within sectors, and more broadly the skills required for commercialisation.

Inward Investment

8. The Minister for Science, Research and Innovation reiterated that maximising inward investment in UK R&D is critical to driving innovation, economic growth and achieving the Government's R&D intensity target of 2.4 per cent of GDP by 2027.
9. Members shared views on opportunities to increase inward investment in the UK, including:
 - Clarifying the UK offer to international businesses and investors, based on a firm understanding of UK sector and regional strengths.
 - Promoting R&D clusters, which are distributed across the UK, as investment opportunities.
 - Considering UK cities and regions alongside their international comparators to understand relative strengths, rather than comparing exclusively at the national level.
 - Recognising that all businesses, including those from the UK, make global decisions about where to invest in R&D.
 - Providing clarity around Government commitments and priorities.
 - Promoting a nuanced understanding of how funding and regulation impact investment decisions at different stages of the investor journey.

Innovation Accelerators

10. Innovate UK provided an update on its work on place and levelling up, including an overview of the Innovation Accelerator pilots and the new Innovate UK Launchpad programme. Cocreation is a key aspect of these accelerators – when the pilot areas have developed their ideas and proposals, Innovate UK will publish information more widely.
11. Members raised the following points:
 - There is excitement in the innovation community around Innovation Accelerators
 - It would be useful to more clearly define key terms, such as clusters and sectors, and how they interact with this policy.
 - Universities and skills will play an important role in Innovation Accelerators – Stanford's history with Silicon Valley is an example to further reflect on.

Closing remarks

12. The Minister for Science, Research and Innovation asked all members to report back with their three priorities to boost innovation in the next two years, detailing the subsequent risks if these areas are not prioritised.
13. Members reflected that in future discussions it would be useful to step back from sectoral interests and consider how to promote innovation overall, for example by taking a place-based perspective.
14. The chair thanked members for joining and invited further feedback on ways of working going forwards.