



BIF Summary 19.6.23

1. Introductions

The Chair of the Business Innovation Forum (BIF) welcomed attendees and introduced new members and deputies.

2. Announcement of Research Ventures Catalyst

The Deputy Director for R&D Strategy, Investment & Sponsorship updated members on the [Research Ventures Catalyst](#). This is a pilot programme, backed by an initial public investment of up to £50 million, that will stimulate the creation of collaborative research ventures; an open call for proposals is expected to launch in Summer 2023. Members were encouraged to [register their interest](#) to receive updates on the programme.

3. BIF members' proposals to Ministers on actions for DSIT in the short term

The Minister for Science, Research and Innovation facilitated a discussion about what actions DSIT should focus on in the coming 12-18 months. In addition to commenting on their own sectors – for example, the role that specific initiatives and investment opportunities could play in supporting the UK to become a leader in biotech and bioengineering – members noted the importance of having:

- Clearly identifiable DSIT innovation champions.
- Regular opportunities for secondments within the innovation ecosystem.
- An improved interface between government and the business community that is cognisant of the diversity of innovative businesses (for example, in terms of size, sector and specialism).
- A pro-innovation regulatory environment. For example, members reflected on the opportunity regulatory sandboxes provide to test novel products before entering commercial markets.
- Forward looking investment in innovation infrastructure.
- Proof of concept evidence or use-cases that support better innovation procurement.
- The right financial incentives and balance of risk, particularly to encourage scale up and commercial adoption. For example, the ability for businesses to claim R&D tax credits against spend through third party innovators.

The Minister's response included:

- Reassuring members that he was aware of the various challenges raised.
- Noting the opportunity to have long-term place-based sandboxes in specific sectors.
- Confirming DSIT will determine which of the proposals could be achieved in the short term and what outcomes can be supported through contributions from members.
- Urging members to keep a laser-focus on the outcomes they want this group to achieve.



4. Innovate UK deep dive on procurement and Catapults

The CEO for Innovate UK (IUK) introduced their focus on three axes of activity: place, domains, and products and services. IUK officials then presented on two work strands that have the potential to increase private sector investment in innovation – public procurement of innovation and Catapults – giving members the opportunity to inform this activity.

a. Public procurement of innovation

- IUK officials explained how innovation can improve public procurement outcomes, and how the organisation is helping to realise that potential. For example:
 - Total UK public sector spend through the Small Business Research Initiative (SBRI) - in which UKRI offers predominantly small businesses the opportunity to work directly with the public sector to develop new technologies - is £1 billion.
 - IUK is exploring rebranding and supercharging SBRI, working with Cabinet Office and Crown Commercial Service to support and build on reforms in procurement practises, and supporting cross-government efforts on innovation through the [Science and Technology \(S&T\) Framework](#).
- IUK officials then asked BIF members to consider how they can help the public sector to understand what else is possible in the procurement space, what the public sector can learn from how the private sector incentivises the adoption of innovation, and how IUK can help public bodies work closer together where there are common needs.

The Minister asked to hear members reflections on IUK's plans for procurement of innovation.

- Members were supportive of SBRI.
- IUK's view was that more work needs to be done to help innovative companies of all sizes access public sector opportunities.

b. Catapults

IUK officials introduced Catapults as independent, not-for-profit translational centres that were established to provide a unique combination of world-leading facilities, expertise, and equipment to support business innovation and growth. There is clear evidence of Catapults' impact, and IUK are working with Catapults to ensure even greater impact over the next 5 years, including through their contribution to the UK innovation ecosystem, their role in the S&T Framework's five technology areas, and their impact on local growth and levelling up.

IUK asked BIF members to reflect on what facilities and services would best support Catapults' role in supply chains; how Catapults could leverage greater private sector investment alongside their current funding; what more the Catapults can do to engage SMEs; and how to ensure Catapults' focus on driving future skills development meets business needs.

The Minister asked to hear members' reflections on Catapults, highlighting the importance of key metrics for success. These reflections included:



- Previous and existing engagement with Catapults has been positive and members see the benefit of join up between centres.
- The High Value Manufacturing Catapult is an exemplar in the UK.
- There are some gaps in the current Catapults' sector coverage. For example, they do not focus on the food sector, where automation could play a vital role in the ability to sustain and evolve food production.
- Catapults could do more to help organisations grow outside of the UK.

5. Reckitt Hull Science and Innovation Centre case study

- Reckitt presented a case study on its Hull Science and Innovation Centre, which was created to improve the R&D facilities to enable expansion and new capability builds alongside increasing regulatory demands to continue to drive new innovations. The new centre was made possible in part by the Government's Regional Growth Fund in 2019. A grant from the fund enabled Reckitt to invest £110 million to expand the site, which now employs 1,800 people in high skilled, well-paid jobs, including 50% of their global R&D workforce.

6. University of Southampton Photonics Cluster case study

- The University of Southampton (UoS) presented about its photonics cluster, which is a group of high-tech companies surrounding the UoS focused on research and development in the field of photonics.
- The cluster includes the Zepler Institute, which is the home of the Optoelectronics Research Centre (ORC) and has a long history of pioneering research. The institute works with a number of organisations including Catapults and the university's spin-outs.
- ORC's successes have been made possible by substantial long-term funding from the [Engineering and Physical Sciences Research Council](#) and IUK, plus broader policy strategy including The Industrial Strategy, The Digital Strategy and National Cyber Security Strategy.

Closing remarks:

Members shared their overall reflections on the topics raised at the meeting to the Minister. The following themes were characterised:

- The importance of investing in companies and institutions' infrastructure needs, including the right number of engineers and technicians and more computing resource for Artificial Intelligence.
- Giving SMEs the tools they need to navigate the innovation infrastructure and supply chain.
- The importance of ensuring the UK's infrastructure makes investing in the UK a more attractive option than going elsewhere.



The Minister thanked members for their reflections and asked them to think about what success would look like over the next 5 years for DSIT and IUK.

The Director General for Science, Innovation and Growth thanked members for their valuable reflections on DSIT's innovation work.