

BIG Innovation Centre
Triple Helix Conference 2013
Triple Helix in a context of global change: continuing, mutating or unravelling?

Summary of proposed practitioner paper

Title:

Local Enterprise Partnerships and Universities collaborating to deliver local economic growth through European Structural Funds; local and national perspectives

Primary theme: 7 Place-based innovations

Secondary theme: 4 Universities as interactive partners

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Keywords:

European Structural Funds; Local Enterprise Partnerships; Universities; Local economic growth

Summary:

The effectiveness of the Triple Helix approach – partnership between Government, Business and Universities – in raising the economic performance of regions has been proved in the UK through successive rounds of European Regional Development Investment and is now captured in the EU policy approach to Smart Specialisation and the requirement to concentrate substantial future funds into investment in business R&D and innovation. Initiatives such as the Combined Universities in Cornwall, University of the Highlands and Islands and a number of others have demonstrated beyond doubt that investment in building University infrastructure can make a powerful contribution to economic growth when carefully tailored to the business and social context of the localities in which they are based. Such investment can drive up levels of business innovation by developing skills and entrepreneurship, stimulating direct R&D collaboration between local business and the knowledge base, and by generating high value new business from graduate start-ups, clustering and inward investment. “University-ness” becomes part of the fabric of the community – something we do round here – and changes long term attitudes and culture.

The 2012 Universities UK report “Beyond Bricks and Mortar Boards: Universities and the future of regional economic development” (IPPR North) identifies fundamental roles for Universities to play in driving innovation, attracting inward investment, providing civic leadership and enhancing the reputation of regions on the world stage. Universities provide an opportunity and “space” for local organisations and businesses to come together and explore where they can collaborate for mutual benefit as well as helping them to make sense of a complex policy environment. They do this locally as individual institutions and nationally through UUK as their representative body. Aspects of these roles go beyond the

simple, expedient delivery of projects and position Universities as crucial assets within enhanced local leadership structures as powerful players who can connect the region to the wider national and international economy.

Committed to Localism, UK Government has invited Local Economic Partnerships in England to take a lead in developing investment strategies for the next round of European Structural Funds in their areas, working with business, social and community partners including Universities in line with the Triple Helix model. This has the stated purpose of empowering local communities to take control of their own strategies for driving growth and jobs, based on a real understanding of their local economies and business potential. However, concerns have been expressed in some quarters about the ability of localities to do this, particularly in relation to investment in R&D and Innovation, because of the need to work across LEP boundaries and the perceived or real lack of capacity in some local areas to drive innovation strategy.

The approach of national agencies to R&D and Innovation tends to be “place blind” and led by excellence, and this presents challenges in engaging with regional development. Even establishing the evidence-base is not straightforward, with baseline data on levels of innovation investment and activity by LEP area not readily available and, for example in the case of major national initiatives like the TSB Catapult Centres, real difficulties in interpreting local patterns of impact across national and global supply chains and research partnerships. Decision making for University research investment, whether from HEFCE or the Research Councils, is based on the principle of investing in excellence and does not take account of the role of institutions in local economic development. This is not just rampant centralisation. These policies are driven by a self-evident need to focus scarce public investment resources on areas which can drive growth in the global economy, which leads to a strategy of playing to national competitive strengths and investing in projects which can deliver high impact at scale.

So we see a potential tension between on the one hand investment funds available to support the less-well performing regions of Europe to improve their innovation performance coupled with a strong ministerial commitment to localism, and on the other an equally strong policy drive to focus on excellence regardless of its geographic distribution. These two dimensions come into sharp focus when designing the next round of European Structural Fund investment and how to design effective actions to drive innovation and source substantial sums of public match funding.

This paper will explore the local, national, European and global dimension of strategies for R&D and innovation and reflect on how the principles of Localism and Smart Specialisation can be aligned to allow LEP areas to get the most out of European investment. The solution to the dilemma must lie in a “both-and” approach to national and local priorities. For localities, this requires accepting that the best solution to local problems is not always a stand-alone, locally-designed and managed project and that there is a lot to be gained by collaborating across LEP boundaries and with expert national agencies and Universities. For national agencies, it requires openness about the local impacts of national schemes and a willingness to invest in regional business engagement activity as well as excellence. And for

Universities, it requires a recognition of regional economic development impact as a strategic aim alongside research and teaching excellence and an openness to dialogue with LEPs helping to shape University development plans.

We explore several examples where this approach will strengthen both the local and national impact of investment. In the case of the South West Marine Energy Park, backed by the Department for Energy and Climate Change, collaboration to join-up at strategic level for greater impact will be required between at least three LEPs in the South West peninsula, with Universities across the region and beyond, with a TSB Catapult centre, with local authorities to deliver sites and premises and with a distributed global business base. In the case of a potential Innovation Vouchers scheme, coordination might be driven by the need to achieve administrative efficiencies which suggests alignment with the national TSB scheme, but if this is to gain LEP support it will have to take into account local priorities and impacts and to harness the important local role of Universities and Colleges in driving informed demand from business applicants.

In conclusion, this paper identifies local and national roles for Universities as important actors in the delivery of European Regional Development Funding, as part of a multi-layered Triple Helix approach. It challenges LEPs, national bodies and universities themselves to reach beyond traditional roles into collaborative, Triple Helix space to deliver the next round of European structural funds investment. And it invites those managing the next round of structural funds to blend localism with LEP cooperation so that larger scale, higher impact projects can be brought forward with the minimum of bureaucratic complications.

(target 1000-1500 words, actual so far 740)