

Innovation Strategy 2022-25

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- Published by BEIS 22nd July 2021, setting out Government's long term plan to deliver growth through innovation
- Builds on Plan for Growth, with a vision to 2035
- Business facing, recommitting to £22bn p.a. public R&D investment target - **£2.5bn Innovate UK 22-25.**
- Focus on leveraging private sector investment



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Four key pillars

- 1. *Unleashing businesses* to innovate and grow**
- 2. *People* - attracting and developing talented people in the UK, including a focus on SME leadership**
- 3. *Institutions & place* - support for innovation across all places in the UK**
- 4. *Missions & technologies* - stimulating innovation to tackle major missions and drive key technologies**

Table 2.2: Departmental Capital Budgets (Capital DEL) on Research and Development (R&D)

£ billion (current prices)	Plans	Plans	Plans	Plans
	2021-22	2022-23	2023-24	2024-25
Total Capital DEL expenditure on R&D	14.8	16.1	19.4	20.0
Department for Business, Energy and Industrial Strategy	11.3	11.9	13.7	14.2
<i>of which: Core Research¹</i>	4.8	5.2	5.8	5.9
<i>of which: Innovate UK</i>	0.7	0.7	0.8	1.1
<i>of which: EU Programmes Association²</i>	1.3	1.2	2.3	2.1
Department for Health and Social Care	1.4	1.5	1.5	2.0
Other ³	2.1	2.8	4.1	3.8
Memo:				
Total R&D Official Development Assistance ⁴	0.6	0.8	0.9	1.0



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Opportunities and actions for IUK

- 1. Commercialisation:** Establish a UKRI wide commercialisation funding framework, and strengthen Innovate UK's provision of support for commercialisation capability.
- 2. Reducing complexity in the system:** Innovate UK will work with the British Business Bank to build a finance and innovation hub, and with all UKRI Councils to help business navigate the UKRI institutional landscape.
- 3. Skills:** Build on the People & Culture Strategy to take a leading role in identifying critical emerging innovation skills gaps.
- 4. Levelling up:** investments in long-term, sustainable local growth through innovation, accelerating growth of local innovation clusters
- 5. Missions:** Work with BEIS in the development of Missions for the new Innovation Missions Programme, building on lessons learnt from Industrial Strategy Challenge Funding.



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Expanding mandate for Innovate UK

- 1. Publish our own strategy for business innovation**
- 2. Set objectives for Innovate UK to deliver on innovation adoption and diffusion**
- 3. Expand Innovate UK EDGE to provide growth and scale up support for innovative UK businesses**
- 4. Develop innovation talent & skills**
- 5. Promote and encourage ED&I in innovation**
- 6. Work more closely with DIT to attract investment from outside the UK**



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Next steps...

£2.5bn three year allocation 2022-25 - ✓

Publication of Innovate UK's strategy for business innovation – before Christmas. Five Pillars:

Future Economy

Growth at Scale

Global

Ecosystem (institutions, people and place)

Government levers

Development of UKRI's strategy and allocation to programmes, missions and themes – before April 2022

Levelling Up White Paper 2021 – before Christmas



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Five pillars of our Delivery Strategy

- Future Economy – world class innovation eco-system supporting missions and technologies
- Growth at Scale – Innovate UK Edge, Scale up
- Global – UK delivering global challenges, Horizon Europe, global business innovation programmes
- Ecosystem (institutions, people and place) – connectivity, enhance knowledge exchange, clusters, EDI, Skills
- Government levers – improving how we work, relationships, partnerships, communication and value for money, private sector, managed programmes



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Future Economy - Innovation Missions & are separate but complementary...

Missions are about a clear and measurable outcome, such as vaccinating the UK against COVID-19, for which we need to draw on multiple *technologies*.... Working with different industries and supply chains to tackle innovation, manufacturing, and logistical challenges... e.g. Net Zero, Healthy Aging, Connectivity, Skills...
Technologies

Technologies will be vital for tackling these Missions:

- Advanced Materials and Manufacturing
- AI, Digital and Advanced Computing
- Bioinformatics and Genomics
- Engineering Biology
- Electronics, Photonics and Quantum
- Energy and Environment Technologies
- Robotics and Smart Machines



Core funding currently delivers:

Responsive (sector agnostic)

Including Smart Grants, KTP (knowledge transfer), ICURe (academic start ups)...

Missions and Technologies

- Advanced Materials and Manufacturing
- AI, Digital and Advanced Computing
- Bioinformatics and Genomics
- Engineering Biology
- Electronics, Photonics and Quantum
- Robotics and Smart Machines • Energy and Environment Technologies

Innovation & Growth Specialists

Innovation and Growth Specialists in every region, delivering advice on strategy, finance, IP and global markets to accelerate the growth of innovative small & medium businesses. Managed by Innovate UK EDGE.

Global

Global Expert Missions, Global Business Innovation Programmes, Global Incubator Programme, bilateral and multilateral R&D&I programmes.

Investor Partnerships

Aligns grant funding with VC and Angel equity investment to maximise impact and reduce risk. Accelerating investment and supporting growth through innovation.

Innovation loans

Larger funding for projects closer to market with £250k - £1.6m funding gap who can justify the loan repayments.

Managed Programmes

Government Funding via Managed Programmes (APC, ATI, SBRI etc.): Focused programmes in key industries.

ISCF to be merged into Missions and Technologies:



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Missions, Place and Levelling Up...

Investments in long-term, sustainable local growth through innovation, accelerating growth of local innovation clusters:

- Building capacity
- Enabling adoption and diffusion
- Access to and participation in major programmes and facilities
- Supporting local innovation ecosystems



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Thank you

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