

The Key Cities Innovation Network

First thoughts



The Key Cities Innovation Network

Formed in April 2022, the Key Cities Innovation Network is a collaboration between the 25 members of Key Cities with universities and innovation partners located in the Key Cities, coordinated by the Key Cities APPG.

- ▶ **University of Bath**
- ▶ **University of Bradford**
- ▶ **Coventry University**
- ▶ **University of East Anglia**
- ▶ **University of Gloucestershire**
- ▶ **Lancaster University**
- ▶ **University of Salford**
- ▶ **University of South Wales**
- ▶ **University of Sunderland**
- ▶ **University of Wrexham Glyndwr**
- ▶ **Bath & North East Somerset Council**

- ▶ **Bournemouth, Christchurch & Poole Council**
- ▶ **Blackpool Council**
- ▶ **Bradford City Council**
- ▶ **Carlisle City Council**
- ▶ **Coventry City Council**
- ▶ **Doncaster City Council**
- ▶ **Exeter City Council**
- ▶ **Gloucester City Council**
- ▶ **Hull City Council**
- ▶ **Kirklees Council**
- ▶ **Lancaster City Council**

- ▶ **Lincoln City Council**
- ▶ **Medway Council**
- ▶ **Newport City Council**
- ▶ **Norwich City Council**
- ▶ **Plymouth City Council**
- ▶ **Portsmouth City Council**
- ▶ **Preston City Council**
- ▶ **Salford City Council**
- ▶ **Southampton City Council**
- ▶ **Southend-on-Sea City Council**
- ▶ **Sunderland City Council**
- ▶ **Wolverhampton City Council**
- ▶ **Wrexham City Council**

This report sets out some of the initial thoughts of members and invited contributors about the network's aims and potential.

The network's founding members are:

Contents

A coming together <i>John Stevenson</i>	4
Innovation and Place <i>John Merry</i>	6
Scaling nationwide <i>Kasper de Graaf</i>	7
The University Challenge <i>Charles Clarke</i>	9
A values-based society <i>Chris White</i>	12
Partners in research <i>Ian White</i>	14
Driving our places forward <i>Shirley Congdon</i>	15
Spreading growth across the country <i>Joanne Dobson</i>	16
Covid, conflict and climate <i>David Richardson</i>	18
Creating new futures <i>Stephen Marston</i>	19
Bringing in the tide <i>Sue Black</i>	21
Jobs of the future <i>Helen Marshall</i>	23
A partnership for jobs <i>Ben Calvert</i>	25
The measure of success <i>Tony Ikwue</i>	27
Inspiring with science <i>Maria Hinfelaar</i>	28
Innovations in funding and culture <i>Francis Runacres</i>	30
The how of levelling up <i>Dean Cook</i>	32
Local and universal challenges <i>Jaideep Gupte</i>	34
Lifting everybody up <i>Rebecca Long-Bailey</i>	36
About Key Cities	38
Contact	40

A coming together

John Stevenson

John Stevenson MP is the Conservative Member of Parliament for Carlisle and Chair of the Key Cities APPG

On 25 April 2022 I was pleased to host a dinner at the House of Commons that brought together senior representatives of ten universities and a diverse group of 25 cities from all over the country, along with Parliamentarians and several Government departments and agencies: HM Treasury, Arts Council England, Innovate UK and the Arts & Humanities Research Council.

This was the start of a new innovation network whose purpose is collaboration to tackle the challenges and opportunities we see today: skills gap, sustainability, opportunities for those from different backgrounds, new technologies and an increased awareness of the potential of Place in public policy.

We also invited two external contributors to present provocations about what universities and cities can do to manage the process of change and create equitable, prosperous futures: Labour's former home and education secretary Charles Clarke, and the former Conservative MP Chris White, who instigated the Social Value Act 2012 and now directs the Industrial Policy Centre at the MTC, a constituent body of the High Value Manufacturing Catapult.

John Stevenson

What we witnessed was a thoughtful and wide-ranging discussion about the role of universities and the potential for innovation in our cities.

We heard about groundbreaking interventions in high streets, radical programmes to deliver skills for the future and the potential for impactful research. There was a palpable sense that more could be achieved for our places and for the country by sharing ideas and best practice and by collaborating across this network.

This collection presents some of those first thoughts which we hope to build on in the months and years to come. ■

Innovation and Place

John Merry

*Cllr John Merry CBE is
Deputy City Mayor of Salford
and Chair of Key Cities*

As a politician I see myself more as an engineer than a scientist. All cities have to reinvent themselves to keep meeting the needs of their populations and fulfil their potential, but the question is how?

When we brought the BBC to Salford, it was a game-changer which we achieved by being smaller, more agile and hungrier than our competitors. But we still have numerous challenges, both fresh and deeprooted, and if we rest on our laurels we will fail the electors who have placed their faith in us – and this applies to all of us in the Key Cities, regardless of party political affiliation.

There is a growing awareness in Government that investing in the innovation ecosystems of places like ours will drive growth, productivity and opportunity, but we have to step up to the plate with ideas that answer the challenges of the day.

This exciting initiative is about making an offer to Government that we can do things together as a group – and by working in partnership with all the skills, expertise and diversity in this network, we can deliver better for our local places as well as for the country. ■

Scaling nationwide

Kasper de Graaf

*Kasper de Graaf is
Programme Director of
the Key Cities APPG and
Innovation Network*

The purpose of this network is to leverage the contribution that cities can make in addressing the challenges and opportunities we face, both societal and economic.

The Key Cities group is uniquely diverse, geographically as well as in size and type of populations. With a range of sizes from medium (100,00) to large (over half a million), it is well placed to come up with solutions that can be scaled and applied across the whole of urban UK. Investing in the innovation assets and ecosystems in these kinds of cities and towns will also drive growth, skills, productivity and opportunity in the long term, and play a key part in addressing disparities and levelling up.

This is something the Government has become increasingly focused on in recent years, with Place now a key factor in research and innovation.

It is this potential that lay behind Key Cities' decision last year to develop an innovation network built around a collaboration between all the cities in the group with universities located in the Key Cities.

It is important to stress that all 25 Key Cities are involved, not only those who have participating universities. Some have universities that may join

Kasper de Graaf

at a later stage, others may not have a university, but they do have very important heritage and contributions to make in innovation.

To make this initiative a success, we must build connections within the network and outside, with all those in industry and government who share that vision and see that potential.

We hope to build on shared areas of interest and excellence across the group that may lead to collaborative projects and help inform the Key Cities policy responses to Government.

We hope also that we can strengthen the strategic context of the research that is regularly commissioned by Key Cities, sometimes in partnership with other organisations such as Core Cities and London Councils.

The network will be coordinated by the Key Cities APPG and work with the member cities and institutions to develop its programme of work. ■

The University Challenge

Charles Clarke

The Rt Hon. Charles Clarke is a former Labour Education Secretary and Home Secretary, and co-author (with Ed Byrne) of "The University Challenge: Changing universities in a changing world", Pearson Education, London, 2020

The pace and nature of change in the world, whether technological or social, is extraordinary. Covid has transformed all our lives. The appalling Russian attack on Ukraine is another example, and so is Brexit. The iPhone has transformed the way we communicate.

But how do societies handle change? Is that for governments, for corporations, for non-governmental organisations?

In *The University Challenge*, we argue that universities are the key institutions that enable societies to manage this process of change, specifically in four ways.

The first is research – understanding the changes that are happening. You couldn't have a better example of that than the response to Covid.

The second is working out how to deal with change. The Covid vaccination programme has come from brilliant people in brilliant universities changing the way we operate.

The third is education and training, where universities play a central role in equipping young people, and also increasingly throughout their lives, to

Charles Clarke

deal with that process of change.

The fourth role that universities have is to try and achieve a level of public understanding of what is happening.

There are no institutions other than universities which can do all those things, so we depend on having strong and effective universities to help our society to manage and benefit from change.

We know that in the wake of globalisation, communities have been swept aside. In the North East of England, when coal or shipbuilding went, what have you got back? The indications are that if you can get a partnership of the active, committed, engaged university with the local community and civic leadership, then you may begin to find a future for cities whose economic and social infrastructure has been weakened.

For that reason, bringing together cities and universities throughout the country is exceptionally important.

The cities, communities and universities represented in this network are ones that have to face up to the challenge of massive social and economic

Charles Clarke

changes that have often been very problematic. To what extent are the universities working with the cities to manage those changes in a positive way?

And the questions universities have to ask themselves are: How good are we at making this happen? Have we built strong and effective relationships? Are the partnerships we're in paper partnerships, or practical working propositions for how we transform the economy and society in our locality?

The technological, industrial and purely economic changes that are taking place are obvious. But in Carlisle, or Salford, or Norwich, what else is changing? What is the future of this community? Where is employment coming from? Where is economic activity coming from?

This is not something you just do internally within your university, but in partnership with the local authorities and local communities, because they will have ideas themselves as to what has to be done.

How do we promote that process? ■

A values-based society

Chris White

Professor Chris White is Director of the Industrial Policy Research Centre at the MTC, a constituent organisation of the High Value Manufacturing Catapult, and former Conservative MP for Leamington Spa

I had two good ideas during the time I was a Member of Parliament from 2010 to 2017.

One, in 2016, was to call on the Government to create an industrial strategy, and BIS became BEIS, the Department for Business, Energy and Industrial Strategy. This is very important. I believe in an interventionist approach to many strands of industrial policy, not least in terms of Key Cities and things like local industrial strategies.

The other was the Social Value Act of 2012, which I introduced as a Private Member's Bill and which now influences some £100 billion of public spending. We now have Government policy about shipbuilding for example, where social value is rated very highly in terms of policy objectives.

The Social Value Act also features prominently in the Levelling Up White Paper. Coming out of Covid and coming out of Brexit, every region is looking at social value in terms of development, supply chains, the third sector and their economies. It is something we can all understand is important to society and to communities.

Chris White

When Lord Young conducted the first review of the Act in 2015, he said that, properly applied, the Social Value Act could deliver better public services at a lower cost, which is the holy grail of any policy, but it suffered from three problems.

One, the Act was very little understood. Two, there was very little awareness of it. And three, there was a lack of measurement. But over the years, things have changed and now there is greater awareness, greater understanding, and we are starting starting to measure the impact of social value.

The role of universities should not be understated as anchor institutions that people understand. The purchasing power of our universities is an important part of levelling up, up and down the country.

Yes, universities exist to conduct research and provide education, but they also play an important part in supporting their local community, the national community and the international community in creating a values-based society. ■

Partners in research

Ian White

Professor Ian White is Vice-Chancellor of the University of Bath

We see a number of promising areas of focus with regard to Place. In the field of enterprise, our experience hosting Setsquared, an effective accelerator which has attracted £1.5 billion investment in startups, has led to us working with Bath Spa University, Bath College and Bath and North East Somerset Council to develop a new approach to business generation in the city based on the concept of “inclusive enterprise”.

Second, we are keen to ensure that education benefits the local region. Student satisfaction with where they live is very important, and we are developing novel forms of project to engage students with the community including through playing an active part in local charities.

The third area is research. For world-leading research it is often crucially important to be locally pertinent. Real issues in the community can give the focus to where research needs to be done.

Research is also crucial in supporting established local organisations, because while innovation will lead to growth and business investment, wealth creation is also key for tackling inequalities. ■

Driving our places forward

Shirley Congdon

*Professor Shirley Congdon
is Vice-Chancellor of the
University of Bradford*

We are the University of and for Bradford and play a central role in the city's economic and social regeneration. Social value, social inclusion and social mobility are at the heart of our mission, delivered through our research, innovation, and teaching.

With 536,000 people and growing, Bradford is a large city, and it is also the youngest and most diverse city in Europe. 66,000 members of the population are involved as participants in a major research study tracking health and wellbeing across our city.

We have numerous challenges associated with deprivation and this means that people age more quickly, so while we care about enterprise and young people, we must also look to the future health and well-being of all our residents. Education and skills are key to social inclusion and vibrant communities.

Bradford University established the first University Peace Studies Department and the first modern Business School. These academic advances supported social and economic growth locally and globally and we intend to continue with more firsts.

Shirley Congdon

We are proud to be a major institution in our city. It is of fundamental importance that we work in partnership to ensure the future prosperity of our young people and all our citizens, this means we must continue be entrepreneurial, to innovate our approach and our offer.

What are going to be the next advances in the study of Peace?

How are we going to drive our city forward?

We need to know more about the conditions – economic, political, and social – in which innovation and entrepreneurialism can drive prosperity, health, and well-being.

I know we could do this better together. ■

Spreading growth across the country

Joanne Dobson

*Joanne Dobson is Associate
Pro-Vice-Chancellor of
Coventry University*

Education can contribute to higher employment in better paid, more secure jobs and a better leisure and culture offer for everyone. It can help create a workforce that can fuel growth right across the country and without it, industry will continue to be drawn to areas where skill levels are higher.

Increasing the population's skill level does not just benefit individuals. The more highly skilled the local economy is, the higher wages and living standards are for everybody.

Cheaper property for creative businesses, lower rents for residents, and local governments under pressure to regenerate their areas are common features across the Key Cities, where there is room to grow and space for scalable innovation – and universities can support that growth.

Innovation and science are crucial to economic success. Higher Education Institutions are centres of research and innovation and have risk-taking built into their objectives. Unlike other industries, the sector is not overly concentrated in particular regions, so it can be seen as a major strength of places across the whole of the UK. Usually we are also significant employers in their areas, and not only in teaching and research.

Joanne Dobson

Narratives around universities serving particular groups – middle class, 18–22-year-olds – are commonplace, but many institutions serve much wider communities. As well as traditional 3-year degree programmes, we offer modular and flexible courses at all our campuses so people can build their qualification around their working lives and caring responsibilities.

We partner with local employers to tailor courses to the labour market where local populations have lower educational attainment than in other parts of the country, including courses that provide the key workers of the future for local hospitals.

The Government's Lifelong Learning Entitlement (planned for launch in 2025) is a similar approach and it is ambitious in its aim to rollout to the whole HE sector. Nevertheless, it has the potential to be an opportunity for education to be reframed around employability and flexibility.

Our experience has shown there is demand for this type of provision, it supports local development and growth. Most importantly, the personal journeys of our learners have shown they have been able to create better futures. ■

Covid, conflict and climate

David Richardson

*Professor David Richardson
is Vice-Chancellor of the
University of East Anglia*

There are three challenges we should be addressing that are writ equally large globally and locally: Covid, conflict and climate. We're far from out of Covid and it's important that we, as universities, engage as we did throughout the pandemic to help our regions to develop strategies for coping and for supporting healthy populations.

Thinking of conflict, Norwich is a City of Sanctuary and the University of East Anglia is a University of Sanctuary. It is more important than ever today that we should enable our cities to be places where we can help people from all over the world who have been displaced by conflict.

With the climate emergency, universities and local authorities need to be working together to help realise our net zero carbon ambitions. We are doing a lot with Norwich, working closely together on the Vision 2040 for the city. We have a Norwich Good Economy Commission. We want Norwich to be a Real Living Wage city. We pay attention to digital inclusion, diverse voices and social enterprises.

Universities are vibrant, innovative and disruptive, much more than just "anchor institutions". Let us all work together to make the most of that. ■

Creating new futures

Stephen Marston

Stephen Marston is Vice-Chancellor of the University of Gloucestershire

The University of Gloucestershire has been the leading provider of higher education in our county for 170 years. Being a part of our community is central to our mission and we want to be a force for good.

Last year, the University took a deep breath and bought our local Debenhams. Twenty thousand square metres of slightly down-at-heel retail space, but right where we want to be – a new city campus at the heart of our community in the historic centre of Gloucester. It opens on to Kings Square, which the City Council is redeveloping as a business support/ incubation events and performance space with, just on the other side of Kings' Square, another large, mixed-use office, accommodation and hotel space being developed by Reef, and we have worked with partners to create a Cultural Centre in King's House. What is going on in the centre of Gloucester is a significant attempt to create a new future for the city that moves radically beyond traditional retail.

Like other cities, Gloucester has substantial sections of the population that are economically challenged, and we have a huge role to play in creating that economic future. We all have to work together: City Councils, universities, and partners in the private and public sectors, to bring

Stephen Marston

people into the city by creating activity, creating skills and innovation and knowledge exchange. We are working with the County Council on creating a shared library, so that we can bring the County Library into the city campus. We've agreed with our local NHS partners that we will create a shared wellbeing centre, so we can bring healthcare in too.

Our approach is not without risk. It may not work, but I really hope it will. Applying this model more broadly will only work if the role of cities and universities in creating new futures is properly resourced and understood. We get very little money to undertake this type of community building and civic enterprise to create futures for our places.

We hoped that the Levelling Up White Paper would give greater recognition to, and support for, the powerful role Universities can play, and want to play, in working with partners to create better futures for our communities. The commitment is there. But it needs to be resourced and supported. I hope that this network can help us build that constructive, forward-looking, creative agenda about how universities can be a force for good in their communities and their places to create new futures. ■

Bringing in the tide

Sue Black

*Professor Dame Sue Black,
Baroness Black of Strome,
is Pro-Vice-Chancellor
Engagement at Lancaster
University and a Crossbench
Peer*

No two places are the same and no two universities are the same. Four years ago, Lancaster University was heavily focused on raising its national and international reputation, and it performed exceptionally well. But in the city, local people had little idea of what we did, or why.

We then turned our focus to our Place and so in the light of levelling-up, we had no tanker to manoeuvre as we were already heading in the right direction, driven by our capability to facilitate. Universities such as Lancaster can have greater proportional impact on local growth and regeneration than many larger universities in major urban conurbations.

We needed a large and successful project to evidence how the university and its partners, working in genuine collaboration, could facilitate major change. The Government indicated that it wished to house the National Cyber Force in the North-west of England and we were asked if Lancashire could pull together a competitive bid. Could a partnership in the north-west, embedded with a research-intensive university, become the nation's home for offensive security? Everyone expected us to lose against a major city, but we succeeded.

Sue Black

The ensuing £5 billion National Cyber Force is the largest single investment in our county for decades. In partnership with the Local Authority, the LEP and a major employer in the region, the universities achieved the unthinkable. We were successful through persuasive, authentic and strong collaboration.

Lancashire has some of the most persistent impoverished communities in England where unemployment is high and life expectancy is low. The University must play its role as a civic institution to help to bring in the tide so that all boats can rise.

We are ready in Lancashire to meet the levelling up challenge. Of course, we will always want more funding but sometimes blind dependence on money diverts us from where our focus can be most creative - innovation and the power of partnership.

What next? Why not extend that cyber corridor north beyond Lancaster and create an innovation opportunity through Cumbria and into Scotland.

If you build it, they will come. ■

Jobs of the future

Helen Marshall

*Professor Helen Marshall
is Vice-Chancellor of the
University of Salford*

Salford has multiple forms of deprivation in many areas. What we're doing about that is developing a demand-led curriculum. We focus on demand from employers, not the pet projects or subjects of academics. We work to make sure our curriculum is up to speed with constant industry input, so when people graduate from those programmes they are industry-ready.

We are working in partnership with the City Council to create a massive innovation and science park called the Crescent Innovation District that will bring Industry 4.0 jobs of the future, and we're doing a number of things to make sure that kids from Salford come to the university so that they can qualify to get those jobs.

We are setting up a site in Salford for kids from deprived areas to come two nights a week to work with a mentor on their school homework and, over time, get to a place where they are fit and ready to go to university.

We led an Institute of Technology bid and talked to Siemens, AJ Bell, TalkTalk and many other employers in the region. They want the knowledge and the skills, but they don't necessarily want everyone to have a degree, so HNDs, higher technical qualifications, are back. Our goal is

Helen Marshall

to fill that innovation district with industry partners to create an important generator of skilled employees in 4.0 areas.

If you're going to qualify as a quantity surveyor from our Built Environment Department, you won't just be a bog-standard QS, you'll know what a zero-carbon house looks like because Barratts have built one on campus: a four-bedroom, detached house, which we put a postgraduate PhD student and his family in so we can test it in normal family life.

We also have Energy House 2.0, the largest test and research facility of its type with two sealed chambers, each able to accommodate two detached houses and, under controlled conditions, recreate a wide variety of weather conditions. You go in one and it's wonderful, 38 degrees. You go next door, it's minus 18, a bit chilly. You can test just about any climate to better understand how we get to zero carbon.

Is levelling up an agenda or a slogan? We don't want it to end up like the Northern Powerhouse, because what's actually come out of that? We're cracking on with levelling up within Salford, and we can only hope that what we're doing is in line with Government thinking. ■

A partnership for jobs

Ben Calvert

Dr Ben Calvert is Vice-Chancellor of the University of South Wales

We are a regionally dispersed institution in South Wales, from Pontypridd and Cardiff to Newport. We can trace our roots to the 1860s, to the Newport Mechanics Institute in Newport and the Treforest School of Mines, places that were built from the blood and sweat of workers in the South Wales valleys.

We are an institution that was created by industry for working people. Still more than 30% of our student population are over the age of 30, people who are in work and re-skilling through their careers. This is the DNA we want to build on.

In Newport we have a city centre campus where we're trying to reimagine that progressive vision for today. One in three of our students comes from the areas of greatest deprivation in Wales, so we have a lot of work to do and we can't do that on our own. We have to work with businesses and local authorities so we can systemically address those issues that come from their backgrounds.

In areas critical to the economic development of Wales, we are working with kids in primary schools, looking at cybersecurity and trying to

Ben Calvert

encourage girls to go into STEM subjects. There is a need for thousands of graduates to come into data science in the future. That is an opportunity for us, but also a significant challenge, which we can't address without substantial long-term investment with our local authority and with businesses in our region.

We have the benefit of the Office for National Statistics being based in Newport, but students don't understand this career opportunity. They don't see what it means for them in high-value work and high-value careers that might well keep them in the region.

In fact, the rational choice for most students in deprived areas is that they are probably better off moving out, so how do we keep them here? We are working with schools, parents and communities to understand the ecologies that can produce meaningful lifetime work for them.

We have strong working relationships with local further education colleges. Can we imagine working with our colleges and anchor employers to provide jobs in areas of the future? That is the vision we are working to develop over the coming decade. ■

The measure of success

Tony Ikwue

Dr Tony Ikwue is Director of Enterprise and Innovation at the University of Sunderland

One of the tricky things for us is the very significant differences that exist between our cities and regions, and I look forward to working with colleagues in the other institutions to try and make sense of that.

Ultimately the success of this initiative will be evidenced by the projects and activities that we work on, and the benefits our citizens derive from these. There is a substantial body of work that needs to be done to make sense of some of these issues.

One of the things that's worried us in Sunderland has been the gap between levelling up, some of the rhetoric on the post-EU funding that will be available and the high-level big science agenda that the government rightly espouses.

Britain has a global position that needs to be addressed, but there are very local needs that must be tackled too, and the tension between those two would be an interesting space for us as Key Cities to face in a way that makes sense both to our localities and also at the national and international level. ■

Inspiring with science

Maria Hinfelaar

*Professor Maria Hinfelaar
is Vice-Chancellor of the
University of Wrexham
Glyndwr*

As a university we are closely involved with the local authority in Wrexham's bids for city status (which was granted on May 20) and to be named UK City of Culture.

North East Wales is very strong in advanced manufacturing and our anchor employer is Airbus.

Four years ago, we looked at where graduates go from our three regional universities at Bangor, Wrexham and Chester and whether they ended up working in key sectors of the economy as identified in regional economic policy, which more or less they did, yet at the same time employers like Airbus kept telling us they are struggling to find sufficient skilled graduates to fill their vacancies.

If advanced manufacturing is to be the poster boy of economic development in the region, then as a university we have to step up to that in research, in our education programmes, and also by getting more people interested in science and in STEM subjects.

Maria Hinfelaar

At the time we had a science discovery centre called Techniquest on our campus, and the Welsh Government decided to stop funding it. So what did we do?

We bought an empty department store, moved the science discovery centre there and renamed it 'Explore'. We were successful in obtaining funding from the Wellcome Trust, and then the Welsh Government also came back in with support from its town centres regeneration fund and we now have a brand new science discovery centre right in the city centre with really exciting exhibits sourced internationally. The footfall is absolutely amazing, much better than when it was located on our campus.

It was a risk, because it's not just about purchasing premises and sourcing exhibits but about making it work and getting the people in. It is a great success. We get lots of school visits, and families on Saturdays.

So we're doing our bit to get young people interested in STEM, and it's working. It is a virtuous circle if you work with the local authority and with local industry to see the problems, think of a solution and take the risk to do it. ■

Innovations in funding and culture

Francis Runacres

*Francis Runacres MBE
is Executive Director of
Enterprise and Innovation at
Arts Council England*

The Arts Council works in close partnership with local authorities and universities. We have representatives of universities and Local Authorities on our National Council and our Area Councils, so our relationship with members of this network is already fairly strong. Both are natural partners to engage with on supporting and driving innovation.

We see innovation as key in a number of areas.

First is innovation in funding models. Grants have a long history. They are a very successful funding instrument, but we think there is a place for other instruments to provide investment that can advance culture.

We have invested in the Arts Impact Fund and Arts and Heritage Impact Fund, which are loan schemes that brings in new sources of capital to the cultural sector. One of our joint investors in these two schemes is a major US bank that was not interested in making a grant but was prepared to support the sector with repayable finance.

We're just feeling our way into the possibility of investment funds and equity or quasi-equity, which we think could be a useful financing product for the sector because, unlike loans, it avoids the negative cash flow

Francis Runacres

impact inherent in loans which can be a material deterrent – particularly if the finance sought is for innovative and risky projects. Repayment would only happen on some predetermined event (a sale, when profits reached a certain level, etc) but with the investor sharing on the upside.

Secondly, there is innovation in the creation of culture, which we see as critical. We've funded a programme called Create XR jointly with the Digital Catapult. The programme allowed creative teams to develop concepts and prototypes of immersive content using virtual, augmented and mixed reality technologies and work through how best to attract audiences and monetise the product.

Thirdly, there's innovation in the business model of cultural institutions. We believe the most successful cultural organisations of tomorrow will be those that are constantly asking the question: can we innovate our business model to better deliver our mission? Those that just do next year what they did last year risk falling behind.

We also want to encourage entrepreneurship in the cultural sector - identifying opportunities to invest and create surpluses to then invest

Francis Runacres

those surpluses into delivering a cultural organisation's mission should be part of the business model tool kit.

We have just started talking about our new 'Reset' programme, which is launching later this year, to make investments in organisations that wish to change their business model.

Then there is innovation and place-making, which I don't think has yet been clearly defined, but it's something that we would be very interested in talking to you about. How does that work in practice?

Places need to find their own way to become successful, that's not something that can be passed down from the centre. But we're always asking whether an approach will be innovative. Some of the ideas discussed here about reinventing town centres – and many reference the importance of culture in their plans – are very interesting. ■

The how of levelling up

Dean Cook

*Dean Cook is Interim
Director of Place, Regional
Engagement and Levelling
Up at Innovate UK, UKRI*

As part of the Levelling Up White Paper, we have a new R&D mission. Government has set targets for research investment to be made outside the greater South East, and rightly so, but let's make sure that it comes with impact.

For me, the big game changer is that Place and Levelling Up are now an organisational objective for UKRI. We still focus on our national programmes, but also maximising local value: a long-term objective that will take time to settle in.

Innovate UK supports business-led innovation, and our recently published Action Plan has a number of commitments to Levelling up.

First, we will strengthen the national ecosystem by fully leveraging the diversity of strengths that we have in places across the whole of the UK. Hearing Professor Black's articulation of Lancaster's ambitions in 'cyber' is a perfect example of how we can develop the national ecosystem by harnessing local strengths.

Then there's how we stimulate local capacity and help build clusters. We have legacy commitments through the UKRI Strength in Places Fund –

Dean Cook

£312 million-worth of investment in 12 big, bold, exciting projects across the UK.

We also have the new £100m Innovation Accelerator programme, which are pilots for doing things differently, not just the usual competition. This requires co creation with places to bring our national reach, our scale, our connections, our relationships with industry, and to help them shape the best programme but driven locally. They know their ecosystems best, and this really is a different way of doing things.

And finally, we have our team of English regional and Devolved Nations managers. This team is embedded across the UK on local innovation boards and business boards, bringing a national voice into local discussions and helping to join things up. This is a mark of the change that is happening.

Our delivery plan to be published in Autumn will expand on our investment into clusters. We have fantastic capability in the research base, but we need to make the outputs 'sticky' locally and ensure that research is translated into local economic impact and growth. ■

Local and universal challenges

Jaideep Gupte

Dr Jaideep Gupte is Director of Research, Strategy and Innovation at the Arts & Humanities Research Council, UKRI

Like Innovate UK, AHRC is part of UKRI and aligned with the vision and ambitions around Place that Dean has outlined.

We are the smallest of the Research Councils, but we have big ambitions. We want to support the thought leaders, the innovation drivers and the changemakers.

Our vision is centrally focused on discovery research: who we are as humans. We are very challenge-driven, which lands well with our arts and humanities communities because they are so diverse in their perspectives. We also have an ambition to be international, which means global but also very local, and we want to be as diverse and inclusive in the types of research and the collaborations that we support.

Place will drive AHRC's interests and ambitions. Lived and felt experience is central to how we understand Place. This translates into tangible things like boundaries that will be mapped, data that can be measured, policies that can be enacted.

Knowledge exchange is an important part of this vision, really understanding how we place that knowledge and expertise close to local

Jaideep Gupte

government in ways that are meaningful, sustainable, and leverage larger funding and investment.

We are particularly driven by a desire to address health inequalities at the moment. Our approach involves mobilising cultural, community, and environmental organisations and assets at the local level, and to scale up their innovations to deliver integrated care across urban, regional and national scales.

This is what draws me to what this network could achieve, so please see us as a partner in your efforts. ■

Lifting everybody up

Rebecca Long-Bailey

*Rebecca Long-Bailey MP
is the Labour Member of
Parliament for Salford and
Eccles and Co-Chair of the
Key Cities APPG*

Innovation is not just an abstract notion that unlocks regional growth and productivity, it is the key to solving many of the issues we face across society to achieve a greater quality of life for everyone in our communities.

The universities in this network understand their goal is not just to provide skills, but to lift everybody up in the regions they serve and the role of anchor institutions or catalysts in places is a key factor in that.

Salford was a pioneer in creating that model many years ago, when we saw what was happening in places like Silicon Valley and Salford Councillors thought, why can't we do that here? They ignored the naysayers and in time brought together collaborators who understood that it wasn't just about bringing businesses to Salford Quays, it was about bringing skills, universities and academic institutions and locate them in the same area so you have that ecosystem.

When I visited the Advanced Manufacturing Research Centre in Rotherham recently, the guy who showed me around said, "Rebecca, do you know what I want to see here? I want to see snot on the windows". I thought, what do you mean? He says, "I want all the children from miles around to

Rebecca Long-Bailey

see what's happening here. I want them to see the future and I want them to understand that this isn't just for somebody else outside the region to enjoy, or for a financier in a distant place. This is for them, and this is why we're building it". That is exactly what happened in Salford, and I'm proud of what we've achieved.

I'm an advocate of a mission-led industrial strategy, but what is often missing from the debate is that this approach often directs resources to winners in particular regions of the country and overlooks the great work that's happening in many of our smaller cities and conurbations.

That's where I hope this network will make progress. We want to celebrate the blueprints that have worked so well in different regions, we want to look at how we can replicate them in other areas, and we want to build those information-sharing networks, expertise-sharing networks and business networks that can help us in our Key Cities to rival some of the bigger players and make sure we get that much needed innovation spend in the areas where it's much needed. ■

About Key Cities

With 25 cities of all shapes and sizes all around the country, Key Cities is the non-partisan network that reflects and represents urban living in the UK. A diverse and national network formed in 2013, it provides an authoritative voice and alliance of shared interests right across the country.

Delivering benefits for people

Key Cities works with other cities, towns and organisations across local government and beyond to deliver prosperity, protect the environment and raise standards of living across the UK.

Unlocking potential

Key Cities can help Government deliver on its policy aims. The network is central to the levelling up and devolution agendas. Key Cities' work in platforming

and connecting the diverse voices of urban UK can help to unlock successful devolution and a productive, balanced economy for all parts of the country.

In touch

The members of the Key Cities network are significant urban entities with integrated municipal government, in close touch with the lived experience of their populations.

Influential

Key Cities is connected. The network has strong engagement with Government Ministers and Departments, and runs a successful All-Party Parliamentary Group. The Key Cities APPG, briefings, events and research initiatives help drive the national policy agenda on cities.

Future urban centres

The Key Cities network is the engine room of post-Covid recovery. Our members include some of the fastest-growing local economies in the UK. Key Cities is an active champion for the future of urban centres. We produce ideas, research and engagement to drive prosperity and a good standard of living and environment for all.

Innovation

With the range, expertise and agility to deliver innovative solutions, Key Cities can help resolve urban challenges. The range of sizes, the governance of member cities, the collaborative approach and the shared innovation assets all add up to a network that is both nimble and ideal for scalable innovation.

Visibility

Through our media engagement and partnerships we make sure our views are heard by Government, industry and important stakeholders. We actively promote our policies and our member cities through earned media opportunities such as news articles and op-eds, and on our own platforms via the website, blog and social media channels.

For more information about Key Cities visit www.keycities.uk

Media enquiries: keycities@ing-media.com

Key Cities, May 2022
Edited by Kasper de Graaf

Cover left to right: Francis Runacres (Arts Council England), Dr Tony Ikwue (University of Sunderland), Professor Maria Hinfelaar (University of Wrexham Glyndwr), Jiyoung Jo (ING Media), Dean Cook (Innovate UK), Cllr Richard Samuel and Cllr Kevin Guy (Bath and North-East Somerset). Photo: Pascale Delta de Graaf / Images&Co.

*Creative Commons Attribution 4.0:
The material in this publication may be shared, copied and redistributed in any medium or format provided that appropriate credit is given including indication of any changes made.*

Produced for Key Cities by Images&Co

Contact

Key Cities Secretariat
Salford City Council
Salford Civic Centre
Chorley Road
Swinton
Salford M27 5FJ

Email: keycities@salford.gov.uk

The Key Cities Innovation Network is coordinated by the Key Cities APPG.

Email: kcparly@images.co.uk

www.keycities.uk/innovation

