

Raising innovation and productivity through local business knowledge sharing.

What?

Introduce low-cost measures to support the development of effective local innovation eco-systems, capitalise on local knowledge and enhance innovation outcomes.

Why?

Knowledge sharing – particularly face-to-face – can increase innovation.

How?

1. Enable local investments that address weaknesses in commercialisation pathways and capitalise on leading-edge university research.
2. Support locally based, peer-learning networks of firms to spread digital technologies and managerial best practices.
3. Mandate collaboration as a condition of UKRI support for R&D and innovation to catalyse inter-firm and university-to-business linkages.
4. Support capacity building in local innovation policy to guide devolved innovation strategy development and implementation.

Knowledge sharing – mainly face-to-face – can increase innovation, support adopting new digital technologies, and raise productivity without requiring substantial new investment.

UK initiatives, such as Strengthen-in-Places, seek to build R&D and innovation clusters, while Innovation Accelerators and Launchpads support collaboration

between local innovation projects. City Deals also support initiatives like the Cardiff University Innovation Campus.

However, many current UK initiatives, such as Innovation Accelerators and Launchpads, are too small to make a significant difference. We need initiatives that are bigger and last longer.

For example, [San Diego Connect](#) is a world-leading approach for start-ups, helping new firms

access the resources they need for scaling. The Toronto [MaRS Discovery District](#) supports start-up growth through a strongly connected local ecosystem. Belgium's [IMEC](#) shows the value of a strong research-based innovation cluster, while in Canada, the innovation ecosystem around [Waterloo University](#) illustrates the power of university-centred entrepreneurship. In each case, development has been enabled by consistent and sustained public support.

These types of international investments are costly. However, there are low-cost measures which we can take to support the devolution of innovation policy and the development of effective local innovation eco-systems:

1. Map local investment opportunities to address weaknesses in commercialisation pathways and capitalise on leading-edge university research. The Department for Science, Innovation and Technology (DSIT) has recently undertaken valuable work to understand the geography of [technology clusters](#) across the UK. This mapping could be enriched to include infrastructure that supports commercialisation and scaling. This would provide a more holistic view of the UK innovation and commercialisation landscape. It would create a national resource to inform and guide the development and evaluation of devolved innovation strategies by Combined Authorities, etc.

2. Support locally based, peer-learning networks of firms to spread digital technologies and managerial best practices. Peer-learning networks provide a cost-effective mechanism for knowledge transfer and sharing. Prosper Scotland's '[Peer Works](#)' programme of facilitated peer-learning meetings provides a proven model that could be cost-effectively extended across the UK. This could combine online and face-to-face peer-learning meetings, with public support limited to facilitation, hosting and promotional costs.

3. Mandate collaboration as a condition of UKRI support for R&D and innovation to catalyse inter-firm and university-to-business linkages. Mandated collaboration with SMEs has been effective in grants provided by the [Advanced Propulsion Centre](#) (APC). Mainstreaming a requirement for this type of collaboration across the UKRI research and innovation grant portfolio would encourage larger firms to work with SMEs and both to work more closely with universities.

4. Support capacity building in local innovation policy to guide development and implementation of devolved innovation strategy. Positive UK developments in sharing lessons from local innovation policies include the recently established [LPIP \(Local Policy Innovation Partnership\) Hub](#). The UK also provides world-leading capacity-building courses in innovation policy through [Manchester](#) University. Integrate these capabilities to support capacity building for effective local innovation ecosystems for policymakers from Combined Authorities, etc.

The total cost of this set of proposals is unlikely to exceed £10-15m a year, a small sum by government standards.

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