


# Innovation Strategies for Wales



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**THE LEARNED SOCIETY OF WALES**

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The Learned Society of Wales is currently convening a programme of activities to help inform and improve innovation policies and practices in Wales.

This is a timely programme given the publication of the BEIS [Innovation Strategy for the UK](#), the [Advanced Research and Invention Agency Bill](#), and the increasing importance of a place-based agenda. The [HM Treasury's Comprehensive Spending Review 2021](#) makes a strong commitment to increasing R&D funding to £20 billion by 2024-25, a 35% increase on current funding levels.

The forthcoming UK Government White Paper on Levelling Up will also outline a plan to ensure that an increased proportion of government spending on R&D over the next three years is invested outside the Greater South East of the UK. If achieved, this will see several billions of additional funding outside the golden triangle and go a long way to addressing the previously identified deficit, as noted in Thomas Forth and Richard A.L. Jones's [The Missing 4 Billion: Making R&D work for the whole UK](#) report for Nesta, 2020. The [Nurse Review of the research, development and innovation organisational landscape](#) will also likely prompt further shifts in BEIS policy.

At the same time, the Welsh Government is reviewing its innovation policies and is currently developing a new integrated cross-governmental strategy for innovation. The [Tertiary Education and Research Bill \(Wales\)](#) is progressing through the Senedd, proposing reforms to the regulation and funding of post-16 education and research under a new Commission for Tertiary Education and Research (C-TER), which would supersede the Higher Education Funding Council for Wales (HEFCW).

Wales is also adapting to a funding landscape without European Structural Funds, which had been significant in developing Wales's research and innovation capacity and collaborative potential. The new Wales Innovation Network (WIN) will work to leverage the diversity of Welsh institutions through collaborative activity.

In early November, the Society hosted the first in a series of closed roundtable discussions to consider the current state of play for innovation policies in Wales.

**All roundtable sessions are conducted under Chatham House rules, and this is the anonymised and unattributed report of key points from the first event.**

## Context, Developments, and *where next* for Innovation Policies for Wales?

The recent Autumn Budget and Spending Review saw the UK Government set out the plan to invest £20 billion a year by 2024-25 in Research and Development. This represents a major increase in spending of 35% from the current levels, and in the same period, Innovate UK will see a 57% increase in its funding. This signals the significance that UK Government is placing on innovation in the context of Covid recovery and levelling up.

There has also been a [welcome commitment to address the imbalance in the spread of R&D funding](#), as the UK government

will ensure that an increased share of the record increase in government spending on R&D over the SR21 period is invested outside the Greater South East, and will set out the plan for doing this in the forthcoming Levelling Up White Paper. The investment will build on the support provided throughout the UK via current programmes such as the Strength in Places Fund and the Catapult network.

This recognition is significant. It provides the prospect, for the first time for some decades, to raise the R&D intensity of the UK's economically less productive cities and regions without compromising the existing scientific excellence found in places in the Greater South East of England.

These new developments are still emergent and further details are awaited, particularly on how the place-based 'levelling up agenda' will be delivered. **But such major funding changes suggest strongly that 'more of the same' – in terms of practices or within the existing institutions – will not deliver on future aspirations.**

### Capacity and Infrastructure

Reflecting on the UK Government's commitment in the Autumn Budget and Spending Review to build on the support provided throughout the UK via current programmes such as the [Strength in Places Fund](#) and the [Catapult network](#), the group considered what this could mean for Wales. The nation enjoyed some success with the Strength in Places Fund ([CSConnected](#) and [Media.Cymru](#)), but there was a general view that more could and should be done to ensure a strong stream of competitive bids are made to the various schemes that will provide the mechanisms for funding into the regions and nations of the UK.

Strength in Places is seen as a good scheme – not perfect but requires only small tweaks to improve its processes – and has significant potential as a tool for 'levelling up'. It is important that the momentum is maintained and that the potential identified in the first two rounds of the scheme is further developed (eg the discussion noted improvements in the quality and competitiveness of proposals in the second round). **Wales has had some success – what can be learned from these projects? Importantly, what can be learned about how successful bids were put together and who was involved in their development?**

It was also agreed that the Welsh innovation system as it stands does not have capacity to absorb the very significant uplift in investment that the recent announcements would involve, and that it needs investment in infrastructure and skills now to facilitate future capacity. **What should be the priorities to 'prime' Wales for these opportunities?**

## Narratives of innovation

One of the key recommendations in a recent [report](#) scoping innovation policy in Wales was that ‘a new innovation strategy for Wales needs to be founded on a compelling and inclusive narrative that can act as a catalyst for activity, promoting the innovation agenda and the nation’.

It was agreed that Wales needs to do better in presenting the innovation activity that is taking place in the nation; there are pockets of strength and successes that can be given greater prominence. However, there was some debate about whether on the one hand we are vocal enough in proclaiming and broadcasting our strengths and successes or rather, more negatively, that there really isn’t that much to shout about. **What is important is that the narrative is both grounded in reality and reflects the level of ambition needed to see a step change in Wales’ innovation activity.**

## Collaboration and coordination

It was broadly agreed that the innovation system in Wales would benefit from better coordination, more collaboration, and a more coherent voice. While variety is crucial to innovation, there was a consensus that Wales would benefit from better communication and more of a ‘Team Wales’ approach both when mobilising in response to opportunities and in presenting itself to external stakeholders and audiences.

The discussion included some debate on the potential of a national innovation body and the forms that this might take; it was noted that it would not necessarily need to be a government agency, that it would potentially be a useful mechanism to help mobilise across sectors and institutions in support of the development of ‘big ideas’ and could also play a role in spotting emerging opportunities and promoting Wales as

an innovative nation. **Are there existing models in place elsewhere that merit close consideration?**

The conversation also considered the shifting political landscape, and the opportunities and challenges that these changes bring. Innovation leaders and practitioners are increasingly working across, and navigating the intersections between, multiple ‘planes’ of policy – the UK Government’s increasingly ‘muscular’ unionism, developments at a regional level within Wales, and also Welsh Government’s evolving innovation strategy and innovation support.

These tensions are unlikely to reduce in a context where there are larger stakes in play. One issue that the emphasis on increasing scale in innovation activity raises is how rural innovation and ‘peripheral’ regions can be supported to be successful. **What is the role of regional institutions as Wales seeks to improve its visibility at the national level?**

## Next steps

Further discussion on the key questions raised during this first roundtable will be central to the forthcoming roundtable sessions.

The next meeting will focus on learning more about practices of collaboration and coordination elsewhere that might inform future developments in Wales; invited speakers from other small nations (Northern Ireland, Scotland, Basque Country) will talk about their experiences.

The January meeting will feature the issues around Wales’ regional capacity and infrastructure, including discussion of the role of science parks.

**If you would like further information about the work of the group or would like to join the distribution list, please contact [policy@lsw.wales.ac.uk](mailto:policy@lsw.wales.ac.uk)**