

## RUnUP LAUNCH CONFERENCE EXPLORES HOW CITIES CAN HARNESS THE CAPABILITIES OF THEIR UNIVERSITIES TO ENHANCE ECONOMIC IMPACT

Cities are widely recognised as playing a fundamental role in the promotion of the knowledge economy but most research and policy has focussed on large cities with World-class educational and research institutes and advanced clusters of economic activity. There are clear and significant gaps in the knowledge of how smaller sized cities, with different levels and types of knowledge institutions and different levels of economic activity can compete within the Knowledge Economy. Yet such cities are recognised within European Union policy as playing a vital role in the implementation of the Lisbon agenda.

The RUnUP<sup>1</sup> network launched the implementation phase of its activities in mid February 2009 in the lead partner city of Gateshead in North East England. RUnUP addresses in a uniquely different way the fundamental issues of how universities should engage with their local communities with a particular focus on medium-sized cities; the role of local authorities and municipalities and the importance of triple helix structures for supporting economic development and encouraging entrepreneurship. As Councillor Mick Henry, the Council Leader for Gateshead who opened the conference said "RUnUP will allow us to build on the foundations that have already been laid in this region and actively encourage entrepreneurship and innovation to attract business and accelerate economic growth through collaboration with our partners."

Indeed one of the major successes of the RUnUP launch conference at the St Mary's Visitors Centre in Gateshead which attracted 70 delegates was the participation of stakeholders from Newcastle and across the North East of England who were keen to discuss how the city and the region can more actively use the capabilities and capacity of their university and knowledge base which numbers 5 Universities and well in excess of 100,000 students. Linked to this in his presentation the lead expert for RUnUP, Clive Winters explained how moving forward into the implementation phase of the network that the partners need to "enhance their individual and organisational knowledge of their local and regional knowledge based institutions".



<sup>1</sup> RUnUP stands for the Role of Universities in Urban Poles. For further information on the work of the network and on its partners see their website: <http://urbact.eu/thematic-poles/growth-and-job-creation/thematic-networks/run-up/presentation.html>

Only by understanding the structures, key contacts, key research and educational themes and existing approaches of universities to working with their local economy can they support the development of triple-helix structures and the alignment of university activity to local economic development priorities.

Because of the importance of understanding how knowledge is transferred into the economy, RUnUP has bought together 9 cities from across Europe under the URBACT II programme. As specifically outlined in the launch conference [presentation](#) by Jean-Loup Drubigny, Head of the URBACT secretariat these cities need to develop with partners from their URBACT Local Support Groups their own local action plans. For RUnUP this will include mechanisms that support the capability of companies to acquire knowledge through connections with external organisations (including Universities) in line with the industrial transformation of the economy.

### **Enhancing the knowledge economy in small- and medium-sized cities**

The Knowledge economy relies on the transfer of knowledge from those who generate it to those who use it and can build on it. Research represents a key component of this approach and the role of universities is particularly important as actors in research, education and training. Universities account for 20% of European Research, 80% of fundamental research and employ one third of European researchers<sup>2</sup>. They transmit knowledge through education and training and have an increasing role in innovation and economic development at the regional level. In support of this the 2005 Lisbon mid-term review explicitly highlighted the importance of the role of universities in the creation, dissemination and transfer of knowledge<sup>3</sup>.

Reflecting the importance of the [Knowledge Economy to the North East Region of England](#), Mark Pearson on Development Agency One North East presented on the importance of Knowledge Based Industries and the development of an innovation strategy that was designed to address the issues of the regional economy which had a GVA of 81% of the national average in 2006 and the number of registered business 41% below the national average in 2007.

In line with the transformation model adopted within the RUnUP baseline Study, Mark highlighted 3 Models of Economic Regeneration:

1. Regeneration of an industrial sector that has existed in the region but which had gone into decline
2. Establishment of a new industry based on excellence within the universities
3. Development of an existing industrial sector in which the region already has proven strengths and track record

Supporting the work of the RUnUP baseline study and the delivery model of RUnUP in its implementation phase the presentation emphasised the importance of

<sup>2</sup> [European Commission, European Universities: Enhancing Europe's Research Base, May 2005](#)

<sup>3</sup> [European Commission, Communication to the Spring European Council, Working Together for Growth and Jobs: A new start for the Lisbon Strategy, February 2005](#)

exploiting the regions research and technology base through entrepreneurship, technology transfer and maximising investment.

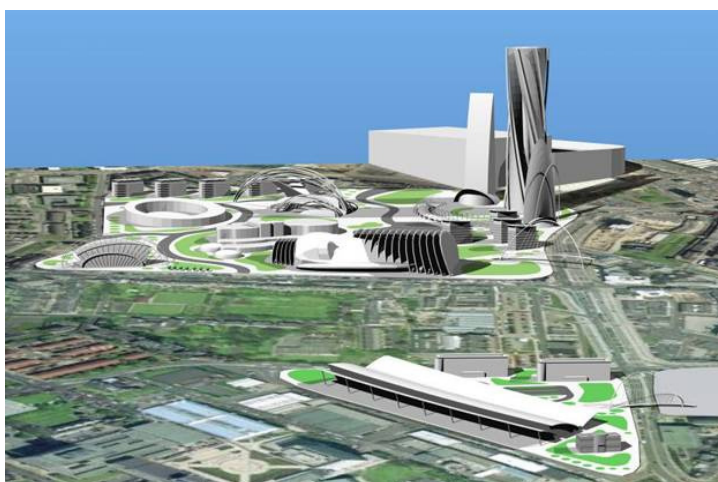
To realise this transformation there is the need to; build further the strategic partnership to encourage and foster Innovation between Government, Universities and the Private Sector; develop better alignment of local, regional and international agenda's and investment. With regeneration based on; traditional industrial strengths such as energy and process industries and new industrial specialisations such as bioscience and software driven by a strategy and implementation policy to produce dramatic change in the region within a generation.

For further information visit the One North East website  
<http://www.onenortheast.co.uk/>

### **The wider role of universities in driving economic development**

Recognising the importance of the linkage between a University and its local economy Professor Peter Slee presented at the RUnUP launch conference on the **Regional impact of Northumbria and Newcastle Universities**. As employers alone the two universities employ just short of 7000 people representing the 3rd largest employment sector in Newcastle. But the economic impact of a university goes much further than employment.

Experiences in universities has shown that they can be a source of spin off firms, and this is especially important in new science based industries. Regions with low levels of entrepreneurship and low high tech industry are especially keen to encourage HEI spin offs. However, rates of formation are likely to be affected by the nature and research base of the HEI and the level of support in the surrounding region. In his presentation Peter highlighted that for Newcastle and Northumbria Universities they have realised 12 spin-outs in the year and 123 graduates start-ups representing an income of £1m and £3m respectively.



Effective collaboration can be converted into research contracts with local businesses. Variations in the nature and sophistication of business impacts significantly upon opportunities as does the location of corporate headquarters. The combined activities of Northumbria and Newcastle Universities

generates research activities with 1069 organisations and consultancy activities

with 862 organisations providing an income of £28.2m and £11.25m respectively.

People are as critical to entrepreneurship and innovation in the Lisbon era as financial markets. Within RUnUP partners will work across the triple helix to develop joined up sets of interventions to attract and retain the most skilled workers currently often lost to major capital cities. In his presentation Peter highlighted that retention of graduates within the region is a key output target for Higher Education in seeking to contribute to the local labour market. Retention levels are affected by a number of factors including the region and local labour market demand, both of which are outside of the control of the university. For Newcastle and Northumbria 65% of graduates are employed in North East, 91% of whom are in graduate employment with less than 0.5% unemployed.

For further information on Northumbria and Newcastle Universities visit their websites at <http://www.northumbria.ac.uk/> and <http://www.newcastle.ac.uk/>

Addressing the challenge of how universities can enhance their economic impact Estelle Chatard, Programme Director for **Newcastle Science City** highlighted within the RUnUP launch Conference the work of Newcastle Science City. In December 2004, Newcastle was designated as one of six English Science Cities. The Science Cities were tasked with leading the development of deeper links between business and the science base, and to ensure that science, technology and innovation succeed in becoming the engine of economic growth.

The Newcastle Science City approach represents an Innovation Connector bringing local benefit through global excellence. As a "triple-helix" development of Government, Business and Universities one of the fundamental aims of science city is to ensure that the economic benefit from public investment in the science base is seen in the domestic economy through spinouts, work with established businesses and inward investment.

A key programme of Newcastle Science City is the Newcastle Innovation Machine a project which will create a novel city-wide approach. The project provides a systematic way of identifying unmet needs, identifying solutions to meet those needs, and creating compelling businesses, which can then be financed to become independent.

For further information visit the Newcastle Science City website: <http://www.newcastlesciencecity.com/>

The partners within the RUnUP network cover cities with populations between 50,000 and 200,000 inhabitants, with either; no university, an underperforming university or a world class university and education system. In each case the fundamental reason for their participation in RUnUP is consistent, namely to

enhance the role of the university within the city and its direct and indirect benefits to local economic development.

Moving away from the context of the North East of England, Matthias von Popowski detailed the issues facing the RUnUP partner city of Potsdam in utilising its university expertise, in his presentation "**Challenges and aims of delivering RUnUP as a Project Partner**". After presenting on the profile of Potsdam with its proximity to Berlin and strong university heritage, Matthias outlined the key challenges that need to be addressed, namely; increasing the impact of internationally focussed, world renowned science and research institutes on the local and regional economy through innovation and knowledge transfer; enhancing the impact on the local and regional economy and cultural life through the location of university students and balancing the negative effects of the big spatial distance between the City of Potsdam and the university and its science and research institutes.

To address these clear and significant challenges, Potsdam will be seeking to enhance its information and communication mechanisms across the triple-helix of government, business and universities; improve the location profile of Potsdam as an attractive university city; improve accessibility and the integration of urban planning ideas and build up new regional consulting and cooperation models to strengthen science based industries and innovation capacity and capability. For further information visit the Potsdam City Profile on the URBACT website <http://urbact.eu/thematic-poles/growth-and-job-creation/thematic-networks/run-up/partners.html>

**The path from an Industrial to a knowledge based economy** Increasing the local benefit of universities is a particular challenge. Within the context of a regional innovation strategy and the regional economic impact of universities the question of what this means for Gateshead is clear and significant.



In a presentation by Gordon Ollivere of RTCN North the concept of the **Design Centre for the North** was presented. A medium-term development the aim of the centre to be located in Gateshead will be to establish a regional Knowledge Transfer Network for Design to promote the North East nationally and internationally as a centre for world class design capability.

The Design Centre is based on the principles of Innovation Connectors, that; are Technology partnerships to concentrate

facilities and encourage innovation between government, universities and industry, creating hubs based in deprived areas to create deep local impact; linked to regeneration based on traditional industrial strengths such as energy and chemicals, new industrial specialisations such as bioscience and software and softer enabling skills such as design to add value; and a strategy and implementation policy to produce dramatic change in the region within a generation.

For more information visit <http://www.rtcnorth.co.uk/>

As highlighted within the RUnUP baseline study while Gateshead has its own Further Education College which has recently invested €43.75m in a new campus at the Baltic Business Quarter, the town has no Higher Education (University) Institution located in its metropolitan borough.

In a presentation by Lindsay Kirkley, Director of Policy and Improvement at Gateshead Council, the long-term aim for a university presence (**University College Gateshead**) in Gateshead by 2030 was outlined. Driven by the Gateshead Strategic Partnership and Gateshead Council (through Vision 2030) a university presence would help to meet targets for improvement in the Gateshead Local Area Agreement for more residents with higher level skills.

The proposal does not propose a new University being established in Gateshead. It is based on the principles of collaboration across key stakeholders and existing Universities, Gateshead College, schools and stakeholders. It is believed that this can be achieved by building on the existing resources and expertise of local partners, and by looking at specialist higher skills and higher education linked to key sectors such as creative industries and Arts and the public sector. For more information on Gateshead 2030 visit their website: [www.gateshead.gov.uk](http://www.gateshead.gov.uk)

### **Maximising the role of universities in the local economy**

Many of the cities in the URBACT network need to enhance their individual and organisational knowledge of their local and regional knowledge based institutions. Only by understanding the structures, key contacts, key research and educational themes and existing approaches of universities to working with their local economy can they support the development of triple-helix structures and the alignment of university activity to local economic development priorities. As a prerequisite to the design of new schemes and approaches for university–business interaction cities need to consider defining their sector priorities and the state of economic transformation.

A 3-step framework for cities can be used for addressing this challenge. The entry point is the bringing together of representatives of key triple helix organisations to develop a joint response to economic challenges. By pooling existing data and intelligence, an up to date and comprehensive 'economic picture' can be developed in cities to inform policy development and identify successful arrangements for the governance of innovation and economic transformation.

Subsequently city partners need to work together to re-define the role of universities and local authority to align to the focus of local transformation and the knowledge economy, producing an economic development strategy based on triple helix partnership. And finally city partners need to formalise a core triple helix partnership for the delivery of new and upgraded activities and actions outlined in a local action plan. Universities across Europe operate differing structures to support knowledge and Technology Transfer type activities and community engagement but they do have dedicated teams who work with business.

In support of this framework approach the URBACT network RUnUP will be delivering a series of 3 thematic workshops and 3 study visits within the strategic themes agreed for the network. Overall the RUnUP network seeks to bring stakeholders from academic, business and public sectors together to boost economic development in small and medium sized cities. Recognising the all-encompassing nature of economic development, RUnUP is inclusive in nature, reaching out to all sectors of the economy to inspire and support entrepreneurship and innovation.

The work of the RUnUP network has a clear and significant potential, as Councillor Mick Henry, Council Leader for Gateshead at the launch conference concluded "Our (Gateshead) Vision 2030 has 6 'Big ideas' to it, two of which are being realised through this project, RUnUP. These are 'Gateshead Goes Global' where we aim to see Gateshead working with different countries across the world to develop new ideas and influence global policy. The other is 'Creative Gateshead' where all local people in Gateshead – young and old – can fulfil their true potential through learning, creativity, innovation. This project will help us deliver our ambition."

