



# RUnUP Interim Report 2

## RUnUP Thematic Network



# **The Role of Universities for Economic Development in Urban Poles**

**RUnUP Thematic Network**

**From triple helix cooperation to Local Action Plan development:  
An Interim Report on the delivery of Local Action Plans**

**Thematic Network: The Role of Universities for Economic Development in Urban Poles  
Acronym: RUnUP**

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The URBACT II RUnUP network has provided a unique opportunity to examine the role of universities in urban poles from the perspective of local government, given the constitution of the partners rather than a traditional model taking universities as the point of reference.

It was recommended in the conclusion of the baseline study that the partners in the RUnUP 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. In parallel with this, the partners, as a prerequisite to the design of new schemes and approaches for university–business interaction, needed to consider defining their sector priorities and the state of economic transformation.

A core aim of the URBACT II programme is to "assist city policy-makers and practitioners to define, and put into practice, Local Action Plans (LAP) for sustainable urban development". Each URBACT II partner commits itself to developing its own LAP as an output of its participation in the Programme. LAPs will be co-produced by the URBACT partner and an URBACT Local Support Group (ULSG) made up of relevant local stakeholders. Local Action Plans should provide for each partner a concrete roadmap and a range of solutions to tackle the core issues identified at the start of the URBACT project. The planning cycle model, outlined by URBACT in the local support group toolkit, correlates well with the approach adopted by the RUnUP thematic network partners in the delivery of their initial actions, on which this interim report is based.

This report is the outcome of the delivery of the actions of RUnUP within the partner cities of the network and highlights the positioning of these RUnUP actions vis-à-vis the URBACT Local Action Plan development cycle and the development of a framework for a Local Action Plan at the City Level. It is clear through the visions and political commitment of the RUnUP partner cities that there is a desire among urban areas to enhance their development of knowledge economies. Universities clearly play a core role in this initiative, yet the involvement of local authorities and city municipalities has been highlighted within the work of the RUnUP network as adding a new dimension to the relationship that universities have with our urban areas. However, the desire of our local and municipal governments to engage in such activity on its own is not enough.

The work of RUnUP highlights that there is often a clear divide in the available resources and activities of universities and local and municipal governments. For real triple-helix cooperation and economic development to take place, the degree of separation between these organisations needs to be reduced. The development of appropriate conditions for knowledge exchange and technology transfer is an important factor in the long-term sustainability of the triple helix partnerships that have been established through the URBACT Local Support Group methodology. The range of actions identified by each RUnUP partner varies significantly, but they all highlight the wider range of activity that can be undertaken by universities in our urban areas. The Local Action Plans present an initial starting, a platform for development that should be used by the project partners and their local stakeholders for enhancing their relationships and developing more detailed and comprehensive actions of a larger scale.

**I EXECUTIVE****SUMMARY.....3**

## II TABLE OF CONTENTS.....4

**1.0****INTRODUCTION.....5****2.0 BASELINE CONCLUSIONS .....6****3.0 TOWARDS A RUNUP LOCAL ACTION PLAN.....8**

3.1 From Understanding Economic Transformation to Strengthening Triple Helix Cooperation .....8

3.2 From Strengthening Triple Helix Cooperation to Local Action Plan Development .....8

**4.0 FROM UNDERSTANDING ECONOMIC TRANSFORMATION TO STRENGTHENING TRIPLE HELIX****COOPERATION.....9****4.1 Gateshead .....9**

4.1.1 Gateshead Introduction .....9

4.1.2 Gateshead: From Triple Helix Cooperation to Local Action Plan Development.....9

**4.2 Águeda .....12**

4.2.1 Águeda Introduction .....12

4.2.2 Águeda: From Triple Helix Cooperation to Local Action Plan Development.....12

**4.3 Barakaldo .....14**

4.3.1 Barakaldo Introduction .....14

4.3.2 Barakaldo: From Triple Helix Cooperation to Local Action Plan Development.....14

**4.4 Campobasso .....16**

4.4.1 Campobasso Introduction .....16

4.4.2 Campobasso: From Triple Helix Cooperation to Local Action Plan Development .....16

**4.5 Dunkerque .....17**

4.5.1 Dunkerque Introduction.....17

4.5.2 Dunkerque: From Triple Helix Cooperation to Local Action Plan Development .....17

**4.6 Leszno .....19**

4.6.1 Leszno Introduction.....19

4.6.2 Leszno: From Triple Helix Cooperation to Local Action Plan Development .....19

**4.7 Patras .....21**

4.7.1 Patras Introduction .....21

4.7.2 Patras: From Triple Helix Cooperation to Local Action Plan Development.....21

**4.8 Potsdam .....23**

4.8.1 Potsdam Introduction .....23

4.8.2 Potsdam: From Triple Helix Cooperation to Local Action Plan Development.....23

**4.9 Solna .....25**

4.9.1 Solna Introduction.....25

4.9.2 Solna From Triple Helix Cooperation to Local Action Plan Development .....25

**5.0 DISCUSSION AND CONCLUDING REMARKS.....27**

## 1.0 INTRODUCTION

The URBACT II Programme recognises the urban contribution to growth and jobs and that cities are home to innovation, entrepreneurial spirit, and economic growth. Priority axis 1 of the operational programme, in particular, recognises the important themes of promoting entrepreneurship and improving innovation and the knowledge economy, and the development of triple helix structures as catalysts to promote innovation structures and entrepreneurial spirit.

Medium sized cities as 'Urban Poles' are critical to driving forward EU economic performance and innovation competence within the context of the Lisbon Strategy. The strategic development and exploitation of endogenous potentials is crucial, and universities are critical to this innovation process. A specific issue facing Urban Poles is that they cannot make sufficient use of existing knowledge and competencies of their universities to support economic development and encourage entrepreneurship.

In support of this, the RUnUP (The Role of Universities for Economic Development in Urban Poles) Thematic Network and the engagement of URBACT Local Support Groups (ULSG) in each of the nine partner cities has addressed 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. RUnUP partners consider this task fundamental in supporting clusters in line with the innovation drive of European policy. RUnUP has aimed to support all relevant stakeholders in all areas of urban development to ensure participation, investment, and continued movement towards achieving sustainable economic growth in all regions of the European Union.

An integral component of the URBACT II programme methodology is the establishment of a Local Action Plan (LAP) by each partner city as the principal output of its participation in a network. As highlighted in the URBACT ULSG toolkit, they are intended to improve the impact of transnational exchange activities by providing outputs from the networking activities of URBACT II and be a catalyst for further change. The LAPs developed by each partner city provide a roadmap and an identifiable list of actions that will deliver solutions to the challenges faced in each urban area.

This report is the outcome of the delivery of the actions of RUnUP within the partner cities of the network. It highlights the positioning of these RUnUP actions vis-à-vis the URBACT Local Action Plan development cycle and

the development of a framework for a Local Action Plan at the city-level, across all the RUnUP partners.

## 2.0 BASELINE CONCLUSIONS

The URBACT II RUnUP network has provided a unique opportunity to examine the role of universities in urban poles from the perspective of local government given the constitution of the partners, rather than a traditional model taking universities as the point of reference. In the development phase, this unique perspective provided valuable insights, namely:

1. Universities are positioned as mechanisms for research and development and subsequently licensing, patenting, and spin-outs (and this is reinforced in European and National policies); although this may not be where their potential for supporting local economic development truly exists.
2. Local government organisations see universities primarily as vehicles for Education and Research & Development (see point 1) and expect them to support the development of their local economy by default, although universities operate in regional, national, and international markets and are not entirely (if at all) aligned to local priorities.
3. An economic development perspective examining the needs of the local economy, its modernisation, transformation, transplantation, and new sector creation, establishes common ground where local priorities can be articulated and the role of the university in this context can be openly explored, with suitable knowledge transfer approaches defined in support of triple-helix development.

Moving forward at a local-level, it was recommended in the conclusion of the baseline study that the partners in the RUnUP 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, 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. In parallel with this the partners, as a prerequisite to the design of new schemes and approaches for university–business interaction, needed to consider defining their sector priorities and the state of economic transformation.

In addition, it was concluded that the RUnUP partners had a limited perspective (normally of their own universities) of the capability of universities more widely to support economic development. As a result, it was

recommended that the partners, with the inclusion of URBACT Local Support Group Members, needed to see models of best practice outside of the network, highlighting the new approaches of certain European universities to university-business interaction, e.g. University of Twente in the medium-sized city of Enschede with regard to spin-outs. This was to be further supported by the delivery of RUnUP workshops and seminars that highlighted wider European best practice, resulting in the development of a series of themed cases supporting capitalisation at the network and programme-level. Similarly, in support of the capitalisation process, it was recommended that the knowledge obtained through the work of the network should be developed into a ‘Continuing Professional Development’ course for both local government and university staff. This would highlight the significant potential of modern universities in supporting innovation in their local economy, and the mechanisms by which a transformation to the knowledge economy in medium sized cities can be delivered. As a result of this, the distinctive characteristics of the RUnUP approach can be summarised as:

- The understanding of the concrete needs of each partner city in relation to its existing economic base and the ‘absorptive capacity’ of its firms, allowing for the mapping-out of strategies for each of the partner cities and their different economic starting positions.
- The alignment of university activity to economic transformation. Recognising that the traditional linear model of seeing universities as producers of knowledge from research, and conversion into technology transfer and developing spin-outs is extremely limited. Universities can undertake much wider roles in local economies, many of which are more aligned to the focus of small and medium-sized cities. The activities of RUnUP will extend and highlight the range of alternatives regarding the role of universities in such environments.
- A focus on the practical role that local authorities can play in small and medium-sized cities as the vital interface between the needs of economic actors and the knowledge base. By studying good practice, both within and outside the RUnUP partners, the approach will allow the network to provide practical guidelines for city managers, while at the same time producing general policy recommendations to strengthen a vital component of the Lisbon Strategy.

### 3.0 TOWARDS A RUNUP LOCAL ACTION PLAN

A core aim of the URBACT II programme is to “assist city policy-makers and practitioners (including managers of operational programmes) to define and put into practice action plans for sustainable urban development”. As outlined by the URBACT II Secretariat, Local Action Plans (LAPs) are a new dimension to the URBACT Programme. Drawing on the URBACT I experience, they are intended to:

- Improve the impact of transnational exchange and learning on local policies;
- Give concrete form to the outputs from networking activities carried out by partners;
- Be an instrument of further change.

Each URBACT II partner commits itself to developing its own LAP as an output of its participation in the Programme. LAPs will be co-produced by the URBACT II partner and the ULSG which is made up of relevant local stakeholders. LAPs should provide a concrete roadmap for each partner and a range of solutions to tackle the core issues identified at the start of the URBACT project. In the URBACT II Local Support Group Toolkit, reference is made to the planning cycle model (figure 3.1), which provides a logical framework approach for the development of the Local Action Plan.

The planning cycle model, outlined by URBACT in the Local Support Group Toolkit, correlates well (see figure 3.2) with the approach adopted by the RUnUP thematic network partners in the delivery of their initial actions, on which this interim report is based. The next sections of this report detail the nature of these work themes and actions, and the analysis processes adopted by the RUnUP partners. This is followed by a summary report for each partner city.

#### 3.1 From Understanding Economic Transformation to Strengthening Triple Helix Cooperation

The first interim report on the outcome of the delivery of the initial themes and actions of RUnUP within the partner cities of the network, specifically highlighted the importance of:

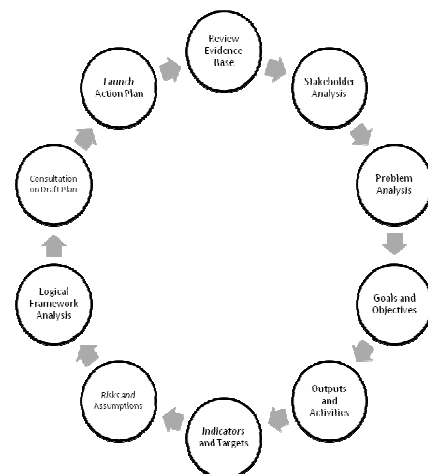
- **Formalisation of the URBACT Local Support Group and integration of the ULSG into local development structures; and**
- **A shared vision and clear understanding on sector priorities within the city.**

In many of the partner cities, the URBACT local support groups have been formally articulated through a Memorandum of Understanding or Declaration of Co-operation. URBACT has fundamentally brought together many local stakeholders for the first time to work in co-

operation. The formalisation of the local support group, and its integration within existing structures, is of fundamental importance to the development of the Local Action Plan and the long-term sustainability and implementation of the work delivered through RUnUP. With co-operation effectively secured, the basis for the development of the LAP, an understanding of the local partners, and the establishment of triple helix co-operation, the foundation for local economic transformation is secured.

The delivery of the first three actions of the RUnUP network have also highlighted the importance of a shared vision and clear understanding on sector priorities within the city. The quote by Joel Barker identifies the importance of this "Vision Without Action...Is Just a Dream; Action Without Vision...Just Passes the Time; But, Vision and Action...Can Change the World".

**Figure 3.1 Making an Action Plan: The Planning Cycle**



In this context, the RUnUP partners have articulated their visions and strategic priorities which will form the basis for the development of the Local Action Plans and the ongoing sustainable activity of RUnUP and the local support groups. The development of strategic priorities among the partner cities has been undertaken through a range of different approaches, but predominantly based on ULSG research and through linkage to local economic development plans and strategies.

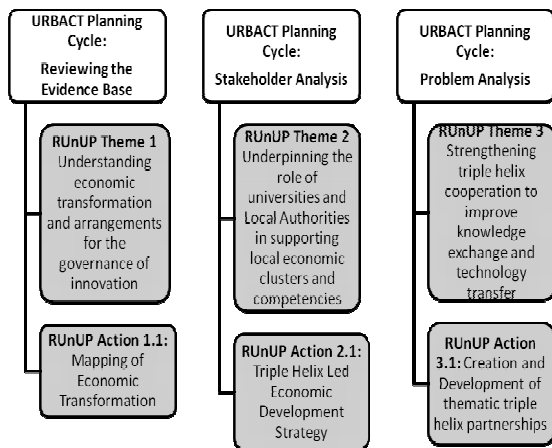
Overall, it was clear from the first interim report that the development of a Local Action Plan requires a strong foundation, built on strong co-operation and collaboration between the local partners, formalised through the URBACT local support group. This group also needs a shared understanding and vision of their joint activities. A clear focus on the strategic priorities is essential, alongside knowledge of what each local

partner can really deliver. From this, the actions to be defined in the Local Action Plan can be clearly articulated and developed.

### 3.2 From Strengthening Triple Helix Cooperation to Local Action Plan Development

As previously highlighted, an integral component of the URBACT II programme methodology is the establishment of a Local Action Plan (LAP) by each partner city as a principle output of its participation in a network. As highlighted in the URBACT ULSG toolkit, they are intended to improve the impact of transnational exchange activities by providing outputs from the networking activities of URBACT II and be a catalyst for further change. The action plans developed by each partner city provide a roadmap and an identifiable list of actions that will deliver solutions to the challenges faced in each urban area.

**Figure 3.2: Correlation of URBACT Planning Cycle for the development of Local Action Plans with RUnUP Network Themes and Actions**



In the context of the RUnUP thematic network, these plans will include a series of tangible actions to be undertaken by triple helix partners after the closure of the network. These actions, when implemented, will provide for the RUnUP partner cities the mechanism for creating appropriate conditions for stimulating knowledge based activities.

The action plans present an initial starting point, a platform for development that should be used by the project partners and their local stakeholders for enhancing their relationships and developing more detailed and comprehensive actions on a larger scale.

In this context, the articulation of a vision for a city is a critical point for its economic transformation. It defines the direction of travel and the key dimensions of the city to be addressed. As highlighted in the application of the RUnUP partner city of Potsdam in their application for European Capital of Culture, “It is from visions that the

city and its citizens gather fresh energy. It is from the knowledge of visionary actions of the past, that they take courage for the future”.

From an articulated vision, the key objectives of the city can be defined, the starting position established and actions defined to meet the city objectives and long-term vision. For cities such as those in RUnUP looking to compete in the global knowledge economy, a clear articulation of their direction of travel - alongside a detailed understanding of their current position - is vital for identifying the most appropriate actions to be delivered and their implementation. Across the RUnUP partnership, a cross-section of vision statements have been established.

In addition to the development of a city-vision as an integral dimension of the Local Action Plan, the URBACT II network and working group methodology recognises the need that to ensure effective delivery at a local level, political support at the highest level is required. From a governance of innovation perspective, there is a need to ensure a long-term approach to collaboration and economic development, in which continuation and progression of activity is assured. Without this, the role of the local authority and municipality is extremely limited.

The delivery of RUnUP has highlighted that an over reliance and emphasis on political engagement can cause delivery issues where a change of Mayor or governing political party occurs. Where activity and commitment has not been mainstreamed, this often means that activity is delayed or suspended. The collaboration between the City and its partner universities represents a politically-neutral activity that should be supported by all, regardless of political affiliation.

At the opposite end of the spectrum, RUnUP has seen a number of cities where limited political engagement has occurred and the local authority and municipality involved have not fully engaged with the URBACT methodology. While Local Action Plans have been developed in these cities with limited political support, there remains an ongoing doubt regarding the sustainability of the triple-helix approaches established for RUnUP with local stakeholders, and the mainstreaming of delivery activity.

As a result, to successfully deliver innovation and economic development activity building on triple-helix co-operation, there is a requirement to balance the need for political engagement with the requirement to mainstream economic development approaches and triple-helix co-operation.

**4.0 FROM UNDERSTANDING ECONOMIC TRANSFORMATION TO STRENGTHENING TRIPLE HELIX COOPERATION**

**4.1 Gateshead**

Gateshead is the largest in area of the five Tyneside local authorities that cover Gateshead, Newcastle, North Tyneside, South Tyneside, and Sunderland, and occupies a central position in the Tyneside conurbation alongside the City of Newcastle on the south bank of the River Tyne.

**4.1.1 Gateshead Introduction**

The development of Gateshead and provision of public services is the responsibility of Gateshead Council - the Lead Partner in the URBACT II RUnUP thematic network. Gateshead is a unitary authority and operates a Cabinet form of government. The full Council consists of 66 local ward councillors that choose a Leader and Cabinet. The Cabinet operates on the basis of collective responsibility and decision making. However, each Cabinet member has areas of special interest - known as portfolios - which are allocated to them by the Leader of the Council.



The challenge for Gateshead in promoting the knowledge economy is that while it has no university located within its metropolitan borough, there is a clear need to work closely with the excellent range of nearby university institutions, and to ensure that their focus is increasingly aligned to the needs of the Gateshead economy. While it operates collaborative activity with its partner universities, the Council needed to fully understand how its knowledge-based partners deliver activity in support of economic transformation, so that as a result, it can deliver new knowledge-based collaboration activity in line with economic transformation requirements. In particular, it needed to articulate the state of transformation within its local economy, specifically its role within the creative industries, and its support for modernisation and diversification of its manufacturing economy.

**4.1.2 Gateshead: From Triple Helix Co-operation to Local Action Plan Development**

In the Lead Partner City of Gateshead, the URBACT Local Support Group has remained committed to the opportunities recognised in the baseline study established in the development phase, and this is reflected in the actions that have been agreed. These actions set out a clear path to support a cultural shift to foster the growth of new industrial sectors, driven by knowledge and skills development, innovation and creativity, entrepreneurship, and ICT. These actions fall in to four key areas; Economic Partnership; Entrepreneurship and Innovation; Advanced Manufacturing and Engineering; and Creative and Design.

The Local Action Plan also recognises the strategic context in which it will operate, in particular supporting the delivery of the 1Plan, the North Eastern Local Enterprise Partnership proposal and emerging business plan, and tackling the challenges set out in the 2011 Gateshead Economic Assessment, principally:

- Redevelop the town centre and the wider urban core as a catalyst for the economic regeneration of NewcastleGateshead;
- Reduce the long-term impact of the recession by helping skilled people return to work and businesses return to growth;
- Support business specialisation to create higher value sustainable jobs;
- Diversify and increase the size of the business base, especially knowledge businesses, to increase the competitiveness of the borough and promote GVA growth;
- Encourage entrepreneurship, including self-employment and social enterprise to develop economic capacity and create employment;
- Exploit the economic potential of green growth and the low carbon sector;
- Ensure that the skills needs of local people meet the needs of business by improving the skills levels of all residents whilst attracting and retaining talented individuals.

Each action seeks to strengthen the work undertaken by the URBACT Local Support Group to date by developing innovative ways to deliver new approaches at a Gateshead-level. The actions are practical interventions that the Council and its partners will implement in the future to ensure an accelerated economic transition.

For Gateshead, their vision set out in the Sustainable Community Strategy "Vision 2030", focuses on people and place. It seeks for local people to realise "their full potential enjoying the best quality of life in a healthy, equal, safe and prosperous and sustainable Gateshead".

By 2030, the aim is to make Gateshead an economically thriving city that is focused on people and unlocks the potential of local residents by giving opportunities and nurturing aspirations, increasing the GVA of the authority area. The Gateshead vision encompasses the complete dimension and perspectives of the city, as a result it fails to some extent to provide a real definition of travel, but this is balanced within the Vision 2030 document of the city, which provides a wider context.

This commitment is demonstrated by the development of Northern Design Centre (NDC), marking a £9.9m investment, as an 'Innovation Connector' with an anticipated opening in January 2012; and the commissioning of a 'Knowledge Transfer Network' that is promoting knowledge transfer between science, engineering, design, and business within the region. NDC's principle role is to deliver strategic priorities for product development, innovation, and design in the North East, and to foster integration and interdisciplinary working, within and between, business and the knowledge base in design, science and innovation, engineering, and technology. In order to achieve this, NDC will be the physical hub for a 'Knowledge Transfer Network' and the focal point for design in the North East.

To increase the sustainability of a knowledge economy, a key aim for Gateshead will be to focus on SME development rather than large organisation attraction, as SME's are often established by local people and money will be reinvested in the local area. The majority of local jobs are created from SME's and these local businesses and industries provide the products, services, and amenities that help maintain and improve the quality of life residents enjoy.

One of the key weaknesses in the under performance of the North East economy is the low rate of graduate retention. One way of addressing this issue is to encourage graduates to start-up their own businesses and become involved in small businesses locally.

UK universities are recognised internationally for the strength and quality of their research base and can contribute to the local and national economy and business needs by commercialising their intellectual property and innovation. In recent years, expertise and research generated and nurtured by universities has been often 'spun out' as fully-fledged companies.

Newcastle University's Enterprise Centre is dedicated to equipping all its graduates with the necessary skills and confidence to make any business successful, either the business they work for or their own. The Enterprise Centre offers advice, information, resources, and

incubator accommodation to students exploring enterprise opportunities. Northumbria University's Enterprise Campus assists full and part-time students, recent alumni (university graduates), researchers, and associates to plan and assess their business idea, and to take the first steps to begin trading. The Enterprise Campus provides basic 'hatchery' incubator space, including free ICT and telephone access on site.

However, it is difficult for the universities to provide accommodation to these businesses once they start trading as a commercial enterprise. In addition, demand for incubator accommodation and support in a commercial environment is high and increasing year upon year.

In March 2010, Gateshead Council and Newcastle and Northumbria Universities identified an opportunity to support graduate enterprise and university spin-out activity in Gateshead from the supported environment of the Council's Business Incubation Centres. Space within these centres is provided under licence to Northumbria and Newcastle Universities, for the provision of free accommodation for up to a year to new businesses formed by graduates and university spin outs, and the delivery of support to appropriate occupiers and students.

To achieve its ambitions, Gateshead needs to think differently about competitiveness. To improve and maintain competitiveness in Gateshead, it is clear that a move towards a knowledge industry is necessary. However, for this to be effective, Gateshead must take a sustainable and innovative approach to economic development.

The growth of a knowledge economy will be linked to the redevelopment of the town centre: an emerging business district with ambitious plans for regeneration to develop a 21<sup>st</sup> Century town centre. "Fit for a city", the regeneration delivery strategy created by the Council and One NorthEast, focuses on drivers of creative, independent and niche retailing, new forms of housing, becoming a new urban destination and being 'green' through construction and energy.

In Gateshead, the URBACT Local Support Group has been approved as a sub-group of the Economy, Skills, Housing and Transport Partnership. Acting as the Business and Innovation sub-group, the ULSG will monitor and amend the delivery of the Local Action Plan after the completion of the RUnUP project.

The action plan will be under constant review by the Business and Innovation sub-group, with new actions related to the vision for Gateshead being developed as

the initial ones are completed. This will enable milestones to be achieved whilst future changes in economic circumstances can be taken into account.

## 4.2 Águeda

Águeda is located in the central region of Portugal, in NUT III Level area of Baixo Vouga. Its territory covers 335,2 km<sup>2</sup> and is therefore the largest municipality of the Aveiro district. The main access routes are A25 (east-west), which is the main access road from Spain, and EN1 (north-south), which crosses the municipality. The territory is also served by the Vouga Valley Train Line, which connects the cities of Aveiro and Espinho.

### 4.2.1 Águeda Introduction

The development of Águeda can be attributed to an endogenous industrial capacity, with strong roots in the local population, and supported by familiar small and medium enterprises. This highlights the strong entrepreneurial capacity of the municipality, which is threatened by the increasing competition at a global-level. The survival of the industry is dependent on a process of qualification and professionalisation, which is important to maintain and improve the aptitude to export shown by the high percentage of firms whose production is mainly directed to external markets, mainly in Europe.

The economic structure is dominated by the metal processing industry, representing 55% of industrial employment and 33% of total employment in the municipality overall. In addition, in terms of employment, the sectors of textiles, clothing, and materials for construction of ceramic and articles of stoneware and earthenware are significant for Águeda. Between 1991 and 2001, the City saw a growth in employment in furniture, with reductions in employment in textiles, metallurgy, and agriculture. Alongside the manufacture of motorcycles and bicycles, which has been a dominant feature of the Águeda economy, the local economy has been restructured, leading companies to diversify their activities, in particular into the manufacture of components and accessories for motor vehicles. More recently, to cope with increased competition resulting from the globalisation process, some firms started to develop efforts to revamp their businesses, looking at factors like innovation, especially in the manufacture of metal furniture, which has evolved in areas such as design, image, and marketing.

The City of Águeda is home to a Higher Education institution, the School of Technology and Management of Águeda (ESTGA), which is an extension from the University of Aveiro, located in the neighbouring city of Aveiro. These institutions train highly-qualified human resources and are important centres of research and development, technology transfer, and support the development of an entrepreneurial culture in the region of Baixo Vouga. ESTGA, which was created in 1997, is a

testimony of the close relationship between Águeda City Council and the University of Aveiro. Since its creation, this bond has grown stronger through a process of constant interaction and co-operation, with the development of the triple-helix model in mind.



### 4.2.2 Águeda: From Triple Helix Co-operation to Local Action Plan Development

The RUnUP Partner City of Águeda highlights, perhaps among all the network partner cities, its adoption of real triple-helix collaboration and cooperation. The development of its Local Action Plan recognises that the realisation of triple-helix networks, in any type of situation, is more important than the establishment of specific partnerships in triple-helix. They recognise that the success of triple-helix partnership, in many cases, is due to the personal relationships and informal contacts established between those who work in the various spheres of the helix structure.

In Águeda, one of the most important aspects of the RUnUP network has been the establishment of the Local Support Group, composed of major stakeholders which, although not unprecedented in Águeda, has been important for strengthening the formal and informal networks that underpin the triple-helix approach.

Águeda highlights that the success of a triple-helix often depends on the existence of common interests between the various spheres. In this context, the local municipality has operated as the connecting link between universities and businesses, resulting in formal agreements that encourage joint projects. In the case of Águeda, these agreements have been separated in different areas, through technology transfer, skills development, and incentives for entrepreneurship, and are grounded with sound financial resources.

The policies adopted for Águeda in recent years have led to a cultural change where issues of innovation have gained new meaning and presented a new dynamic. In this context, the image that has been created as a local brand is "Águeda: industry and city at the service of innovation and entrepreneurship" which reflects the

support for research, development and innovation, and the improvement of quality of life for its residents. This is strongly reflected - not only in the economic development strategy and actions - but in the approach and conviction of municipality staff.

In Águeda, the formalisation of triple-helix partnerships has been contextualised in the Local Action Plan in a set of actions that aim to be a catalyst for local development, namely the creation of a 'Centre for Innovation in Triple-Helix'; an 'Online Platform for Innovation' and three projects (Global Casting, Step-Up, and Inspiring).

As an integral part of the Águeda Local Action Plan, it was considered essential to find a new way to promote innovation, entrepreneurship, and triple-helix co-operation. The LAP proposes the creation of a 'Centre of Innovation in Triple Helix'. This will provide a physical space for co-operation between companies and knowledge centres, operating in areas where public policies have greater impact. The principle of the Centre is to address business issues, e.g. development of a product, technology, or process through a formalised engagement with university expertise.

The 'Online Platform for Innovation' aims to create additional direct links between companies and knowledge centres, utilising an internet platform. The platform will operate through the submission of business challenges, e.g. design, production, technology, or process by companies, for solution by a young graduate, researcher, or university student linked to the platform in partnership with the company. The platform will also allow for young graduates, researchers, or students to put an idea or product concept on the platform for potential adoption and implementation by a company in the market.

These actions are the result of the development of the RUnUP Project, giving them a high-degree of importance as they emerge as statements of need from the major actors in local development. The proposed actions in the action plan focus on four key areas, including: support for entrepreneurship; strengthening innovation and competitiveness; networking establishment; and building of physical infrastructure.

These projects complement the existing strategy in Águeda to build networks and partnerships and establish synergies between the proposed actions and other existing projects. These will strengthen the local municipality, making it more attractive and competitive, and contribute to accelerating the development of an entrepreneurial, local government, and university triple-helix culture, rooted in the development of common

strategies that will contribute to the competitiveness of Águeda locally, regionally, nationally, and internationally.

### 4.3 Barakaldo

Barakaldo, with a population of 98,000 people, is located in northern Spain, in the Autonomous Community of the Basque Country, which is divided in three provinces (Álava, Bizkaia and Gipuzkoa). Barakaldo is situated in Bizkaia.

#### 4.3.1 Barakaldo Introduction

Barakaldo has undergone significant industrial transformation and economic regeneration. Historically, the town was a central part of the region's economy, linked in particular to the mining and processing of iron leading to a significant increase in the population of the town. With the eventual decline of the iron industry, restructuring left an economic situation and urban environment with high levels of unemployment - in excess of 32%, a decline in investment, and a legacy of contaminated industrial land. In the last ten years, Barakaldo has seen large-scale improvements in terms of urban planning, environment and society. This new economic resurgence has been driven through the location of new industries, supported by the development of the Port and the Airport, and economic activities that are compatible with a residential environment and located on former industrial land.



While Barakaldo has undergone significant economic transformation and economic regeneration to date, this has not included

the development of knowledge-based economy activities and this is the core problem for Barakaldo, as outlined in URBACT II RUnUP declaration of interest. In particular, Barakaldo has only a small campus location of the University of the Basque Country, with no direct engagement with the technology transfer and spin-out activities of the University.

Within the URBACT II RUnUP thematic network, the Municipality of Barakaldo (through its economic development agency Inguralde as the principle actor in economic development) needed to develop a strategy that supports the creation of new economic sectors, linked to the research activities of its university and technology centres, and support existing sectors of the economy: namely business services and construction. In this context, for example, Inguralde has business infrastructures which could be used to deliver new activities linking research into the generation of spin-out companies and entrepreneurial activity and linkages with local economy. The RUnUP network will enable new opportunities for collaborative working to be explored to address specific problems, e.g. creation of new models

of integrated education; knowledge transfer and entrepreneurship models; or the creation of a new identity linked to the marketing of Barakaldo and the offer of its university partners.

#### 4.3.2 Barakaldo: From Triple Helix Co-operation to Local Action Plan Development

In the Basque Country City of Barakaldo, participation in the RUnUP project has provided an opportunity for the local administration to establish contacts, and improve and establish collaborative relationships with key companies in Barakaldo and the University of the Basque Country. The greatest challenge in Barakaldo has been the establishment of triple-helix collaboration among stakeholders given the various perspectives, dynamics, and ways of working of the public administration, companies, and the University. The absence of a 'Barakaldo University' has not prevented the University of the Basque Country taking part in the project, and representatives of three faculties have been involved, exploring the opportunity for becoming involved in actions for local development. Participation in RUnUP at a local-level in Barakaldo has provided those taking part with the opportunity to make contact, establish relationships, and communication channels, and analyse opportunities for joint action.

Inguralde, the public agency for economic development, has developed an economic strategy with the support of universities and enterprise. The enterprises will provide know-how and product and services needs, and the university will provide training plans, materials, and research know-how. Through the collaboration of stakeholders, it is expected that Barakaldo will develop innovative strategic actions with produce outcomes that generate wealth and employment in the city.

A Local Action Plan has been defined, aligned with local strategies, and with various stakeholders committed to local development in Barakaldo taking part in its development and implementation. The plan is structured along two key areas: the identification of strategic development opportunities and the delivery of key actions.



The first area of action is designed to understand the sectors and companies whose activities are considered strategic to the socio-economic development of Barakaldo, and as a strategic monitoring and prospecting tool for businesses on sectors, markets, and technology. Actions included in this area are based on the study of strategic sectors in Barakaldo, prepared by a research team from the Economics and Business Faculty of the University of the Basque Country

and from the conclusions drawn by the URBACT Local Support Group.

15

The second area of action supports the development of strategies for attracting and retaining talent, including the promotion of improved competitiveness and innovation capacity and the application of new technologies, including disseminating, promoting and facilitating the resources needed for active use of Information and Communication Technology (ICT) among small and medium-sized enterprises.



The plan includes a series of actions in specific fields deemed to be of interest by the URBACT Local Support Group:

- Cooperation among companies: amongst those located in large shopping centres and small, local businesses.
- Innovation: in the network of local businesses, especially commercial and services.
- Training: Relationship between companies and training centres, going beyond the practical programmes (research, joint projects etc.).
- Promotion of entrepreneurship and attracting talent: creation of a town 'brand' to attract professional and entrepreneurial talent.
- Local support for promoting New Technology: in the social and business fields starts from viewing the technology as very suitable tools to promote development and innovation, both for people and organisations.



#### 4.4 Campobasso

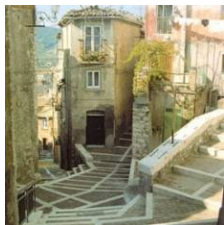
Campobasso, with a population of 53,321 people, is the capital of the central Italian region of Molise, bordered by the Sannio and Matese mountains, and the Adriatic Sea.

##### 4.4.1 Campobasso Introduction

The economy of the municipality and province of Campobasso and region of Molise is based on agriculture and trade. The business population is mainly composed of Small and Medium-sized Enterprises and this, along with a high rate of unemployment, was seen as the key problematic in the original URBACT II RUnUP declaration of interest.



The integration of services for enterprises and entrepreneurs linked to knowledge and technology transfer, in particular connections with universities and research centres, was seen as the key challenge in the original URBACT II RUnUP declaration of interest. The Municipality of Campobasso is home to two universities: the public University of Molise and the private Catholic University of the Sacred Heart, operating alongside other knowledge-base partners including the Chamber of Commerce and Innovation Point, located at the Cittadella dell' Economia in Campobasso.



The RUnUP thematic network seeks to maximise the economic, innovation, and entrepreneurship potential of medium-sized urban poles. The challenge facing Campobasso within this context is that its existing industry structure is dominated by the agriculture sector. The Scientific and Technological Park of Molise ("Molise Innovazione") is supporting businesses operating in this sector, but is limited in its current level of engagement and support for businesses. Its operations and approach to working with business need to be further developed and enhanced.

In addition, and significantly within the URBACT II RUnUP thematic network, the Municipality of Campobasso needed to articulate a strategy for the development of new economic sectors around sustainable industries and bio-medical/biotech. As Campobasso has two universities and a technological park located in the city, it is the role of these organisations - supported through RUnUP and the development of their Local Action Plan - to enhance their knowledge of business development in a university context and to enhance their capacity and



capability around entrepreneurship and incubation development.

##### 4.4.2 Campobasso: From Triple Helix Co-operation to Local Action Plan Development

The Campobasso Local Action Plan aims to have a significant impact on the territorial dimension of employability. In particular, the medium to long-term aim is to promote and disseminate a new employment culture.



From an economic perspective, the LAP aims to strengthen the local economy through a focus on traditional sectors with significant knowledge and know-how that could be lost as a result of an ageing society. In addition, it aims to support development of sectors with high growth potential. Specifically for tourism, this will include the establishment of a new model focused on identity and authentic culture.

Linked to this economic perspective, the Campobasso LAP has a particular focus on support for entrepreneurship. This includes support for business incubators linked to the trade, craft, and cultural sectors; access to finance support for business start-ups; and the participation of disadvantaged groups in new business creation.

From a social perspective, the LAP recognises the value and role of informal networks to promote local development, to create conditions for equal opportunity, and as a means to provide additional services and improve access to existing services.

## 4.5 Dunkerque

The Greater Dunkirk Council is a French public body for inter-city cooperation, consisting of 18 towns that stretch from Belgian border to Calais region.

### 4.5.1 Dunkerque Introduction

The Greater Dunkirk Council district is an industrial and seaport conurbation, marked by the establishment of an internationally-important iron and steel centre in the 1960s. In the late 1980s, it went through a major economic crisis that caused a sharp increase in unemployment, weakened the economic fabric, and had profound repercussions for social and urban life.

The resulting urban, social, and economic challenges were clearly substantial. In 1989, a new integrated and comprehensive strategy was adopted with contribution from national and European Union Structural Funds, helping in managing a long period of economic recession. Since 2000, over 300 new businesses have started operations with investments totalling €2.7 billion. About 8,500 direct jobs have been created in the last 20 years. However, unemployment is currently 10.9%, with 33% of private employment in the industrial sector.

The Greater Dunkirk Council, with local and regional partners, has launched a strategy to support SME development, increase the level of private and public R&D expenditure and projects, promote entrepreneurship, foster the creation of knowledge intensive jobs, upgrade scientific and technology performance of existing high education institutions, and create a collaborative platform to support innovation in enterprises and cluster based incubators.

### 4.5.2 Dunkerque: From Triple Helix Co-operation to Local Action Plan Development

In Dunkirk, the Greater Dunkirk Council has for a considerable time supported and invested in the development of its local economy. It has supported this by providing services, materials, and scientific research in key areas: employment, economic promotion, help for start-ups and university development.

The Local Action Plan has been developed from the Council's established Local Plan for Economic Development. In particular it focuses on: helping companies to develop in key emerging areas; developing innovation potential; encouraging new activities; and developing an entrepreneurial spirit. In this context, four key actions have been identified: the creation of a pole of regional economic excellence concerning the industrial environment and energy; the creation of an entrepreneurial university campus and support for students starting up or taking over a business; the

establishment of a central laboratory for air quality; and the establishment of a research and technology transfer centre focussed on the application of cold technology.

The Nord Pas de Calais region hopes to encourage students to set up companies and take over existing business. For this purpose, the region is financing the creation of an EPI ("Espace Projet Initiative") in certain regional universities (ULCO included). Moreover, the Nord-Pas de Calais region supports the staging of events concerning entrepreneurship in ULCO and financially contributes to the creation of the "Campus de l'Entrepreneuriat" project.

The Greater Dunkirk Council (and other regional territories) faces the problem of company transmission and takeover. An experimental project, inspired by a model from the Université de Laval in Quebec, could be developed in ULCO in Dunkirk with the Council's support and the Nord-Pas de Calais region. The objective of this project is to identify volunteer company bosses who wish to sell their business and work with a future entrepreneur who is studying in ULCO.

The "Campus de l'Entrepreneuriat" is home to the Centre for Entrepreneurial Studies (CEL) of ULCO and the "Espace Projet Initiative" (EPI). It is a key element of the "Entrepôt des Tabacs" building project which also includes the "Institut Supérieur de Commerce International de Dunkerque" (ISCID) the business school within ULCO, students services, and the "Campus de l'Entrepreneuriat", which will be a resource centre, raising awareness among students and monitoring those who have a company creation project or have an "entrepreneurial profile". This area will be a convivial and a functional space with phone and internet access. Dunkirk will be the second EPI in the Région (a total of five to be funded over the coming years).

The objective of the "Campus de l'Entrepreneuriat" is to develop an entrepreneurial culture in the ULCO Dunkirk pole to respond to one of the main focuses of the regional programme for economic development, making the Dunkirk area an entrepreneurial territory. The purpose is to encourage students to set-up their own companies during, or at the end of, their studies. This preoccupation is linked with the global objective of the Council: the employment of graduates.

The Greater Dunkirk Council, with the support of Département du Nord and Nord Pas-de-Calais region, identified a wish to strengthen the development and the implementation of innovative technology companies within the territory. A project for the creation of a technology transfer centre is being investigated in cooperation with the regional public research centres.

This Centre aims to provide pilot installations to researchers to validate at larger-scale laboratory developments, whilst also being at the disposal of companies, so pre-investment development tests can be carried out. The Centre could also fulfil an incubation function for innovative creators. However, it is important to note that this project is still conditioned by the decision of French Government to confirm the building on the port area of a natural gas terminal.

The Innocold project arose as a result of the construction of a Methane Terminal in Dunkirk. The terminal stores liquefied natural gas at a temperature of  $-163^{\circ}\text{C}$ , which can be utilised for industrial processing. This project would enable the region to stand out in the field of cold technology and innovation. The Project, resulted from a public and private co-venture, consists in research and development, technology transfer, and a training centre specialising in industrial implementations of cold technology.

## 4.6 Leszno

Leszno, with a population of 63,955 people, is located in Central West Poland, Wielkopolska region between the economic centres of Poznań and Wrocław.

### 4.6.1 Leszno Introduction

Leszno is a major commercial and industrial centre in a diverse range of companies operating in industrial and service sectors, with a mix of micro-companies through to large multi-national companies. Employment is significantly based in industrial sectors of the economy, namely machinery; furniture; metal; clothing; and food production. Whilst representing 50% of employment, the industrial sector accounts for 10% of registered businesses.

The role of the state and private higher schools in supporting innovation and economic development in the local economy of Leszno is seen as the key problematic in relation to the activities of the URBACT II RUnUP thematic network. At a regional-level, the scientific potential of Wielkopolska is strong and significant in the country, but is mainly concentrated around Poznań. The increasing interest of young people in Higher Education, particularly in Economics, has been an incentive for the establishment in new private schools operating alongside the well-established state universities. In Leszno, this has seen the development of the Jan Amos Komeński State School of Higher Vocational Education and the establishment of the private Higher School of Humanities and Higher School for Marketing and Management. However, despite the creation of these higher schools, interaction with industry in Leszno remains limited to the delivery of skills development-based education with no consultancy, exchange of best practice, or foresight activity undertaken in support of local industrial modernisation.

The challenge facing Leszno within this context is that the economy is based on traditional industries with low levels of productivity. In delivering innovation-led growth for Leszno, through the modernisation of its existing industrial base and the creation of new companies, a new relationship between the Municipality and business support organisations in Leszno needed to be established. Similarly, the role of the higher schools in Leszno needed to be maximised to look simply beyond the role of skills development through education, into examining their potential for supporting businesses through consultancy, best practice scanning, technology/foresight exercises, and in creating new areas of the economy by supporting the development of entrepreneurial services, e.g. incubation to students, graduates, and the wider community.

### 4.6.2 Leszno: From Triple Helix Co-operation to Local Action Plan Development

In Leszno, the network has supported transformational activity aimed at stimulating economic development. Local stakeholders have agreed on the vision for the city and recognise the need to contribute to its fulfilment through co-operation between local authorities, business support organisations, universities, and companies for the development of an economy based on knowledge.

A balanced approach has been taken reflecting the needs for the city environment and city residents, with a focus on the knowledge economy and economic development. Their vision has been articulated as “Leszno is a medium-sized city offering its residents excellent conditions for living and good work places, especially in knowledge based economy and it is also the services centre for the region with a wide offer in the area commerce, finances, science and higher education, education, culture, information, recreation and sport.”

For Leszno, the experience gained through co-operation within the triple-helix structure established through RUnUP has shown that sharing information and knowledge among the representatives of business, local authorities, and universities is necessary, and contributes to the creation of opportunities in the development strategy of the City. These structures will be extended to the whole of the local sub-region with the addition of specialised partnerships that will ensure the successful transfer of knowledge to support local economic development and growth.

The formation of a triple-helix partnership has contributed to a precise diagnosis of the needs of the local economy and the definition of key strategic objectives. These objectives have led to the formation of new project ideas which, to date, have already received financing from the European Regional Development Fund and European Social Fund of PLN 11.6 million (€2.9 million EUR). These projects are aimed at providing infrastructure for business and to support entrepreneurship and innovation in key sectors.

The Local Action Plan, developed by the Local Support Group, includes a set of actions and projects which have been grouped under five subheadings:

- Partnership for economic development;
- Supporting entrepreneurship;
- Supporting innovation and competitiveness of enterprises;
- Infrastructure for business; and
- Supporting key sectors.

The first, *partnership for economic development* fits into the “Co-operation” strand of goals. It consists of actions aimed at building partnerships among various actors on different levels (ranging from decision-making to executive) and in different areas within the triple helix structure. Such an approach should ensure effectiveness of the impact of established co-operation on the development of local economy.

The two following actions; *supporting entrepreneurship* and *supporting innovation and competitiveness of enterprises* are an expansion of the goal strand described as “People” in the strategy for economic development. Entrepreneurship has been singled out to underline the inadequacy of the activities carried out in the area of incubation, especially in relation to diagnosed needs of students of local universities and people studying outside Leszno. Supporting innovation and competitiveness will strengthen the human capital in companies functioning in Leszno, establish closer links between business and science, and create conditions for attracting new enterprises bringing with them knowledge and experience.

The next set, *infrastructure for business* is aimed at addressing the issues of accessibility to technical infrastructure and adequate facilities essential to run modern and successful business in Leszno. This constitutes an important component of the “Infrastructure” goal strand. The last set focuses on *key sectors*. The sectors specified in the strategy for economic development (metal and machinery, construction and food) have been complemented with tourism and the action to identify new promising sectors which should become the driving force for the development of Leszno.

A key dimension of the Leszno Local Action Plan is the establishment of an Incubator. The idea of building the incubator has been driven by the RUnUP Local Support Group. In June 2009, the Programme Board of the Entrepreneurship Incubator was appointed as an advisory body, whose task is to chart directions of the incubator’s development. The Board consists of representatives of the local business community, universities and local authorities. There were also study visits to the incubators already functioning in Kalisz and Poznań. The Municipality of Leszno commissioned expert evaluations to analyse the needs of key sectors for Leszno. On this basis, the Board developed the definitive model for the functioning of Leszno’s incubator.

On 4 January 2010, the Leszno Business Centre Ltd. (a company with 100% of Municipality capital) was established. LBC Ltd. submitted the project entitled

“The Building of Entrepreneurship Incubator in Leszno” to Wielkopolska Regional Operational Programme within the framework of action 1.4 “Support for Investments linked to Regional Strategy for Innovation”. The project received positive feedback and on 14 June 2010, the agreement to fund 40% of the cost of investment was signed.

For Leszno, the experience gained in the delivery of the RUnUP project has helped to establish a core capability which will be used in the future activities of the Local Support Group. This will include the monitoring of the Local Action Plan and the extension of the Local Support Group to encompass the Leszno sub-region. The creation of a network of co-operation among the towns located in this sub-region of Wielkopolska will enable Leszno to use experience gained in the project to strengthen the competitive position of the sub-regional economy.

## 4.7 Patras

The City of Patras, with a population of 171,616 people, is the capital of the Peloponnese region of Western Greece and Prefecture of Achaia.

### 4.7.1 Patras Introduction

In line with the economy of Greece, international sea transportation and commerce are important elements of the economy of the Achaia prefecture with transportation accounting for 7.2% of Gross Value Added, recognising the importance of Patras as an important gateway to the markets of the European Union. Activities in agriculture and manufacturing remain of significant importance although activities in these primary and secondary sectors have declined by 2% and 7.5% respectively between 1995 and 2001.

As previously highlighted, the RUnUP thematic network seeks to maximise the economic, innovation and entrepreneurship potential of medium-sized urban poles. The challenges facing Patras within this context is that it has no focus on the transformation of its existing sectors of the economy (agriculture, food manufacturing) either through modernisation or diversification, with no economic strategy or economic development activity at the municipality level. A lack of data at the city-level means that the identification of business need and the development and delivery of business support is being based on the needs of the prefecture and the region, rather than local demand.

In addition, given the high level of unemployment of 16.1%, business start-up rates that are below both the national average and convergence regions of the European Union, along with the decline in economic activity within the primary and secondary sectors, it is particularly important to consider the development of new industries within the economy – potentially around Informatics and Communications, and Environmental Management and Protection.

In the context of RUnUP, the challenges facing Patras are clear and significant. The Municipality has no strategy for supporting economic development of existing or future sectors. Its economic development capacity needs to be established so that the linkages between the knowledge-based economy and its demand for skills, physical space, and political support can be fully articulated and widely communicated. The University of Patras has no industrial liaison activity, and its capacity and capability needed to be established with reference to models of knowledge-based enterprise support and entrepreneurial development within universities across Europe. Moving forward, the Patras Science Park and Business Innovation Centre must play a significant role in supporting the development of economic strategy and

leading the implementation of significant activities with the Chamber of Commerce and the University and Technological Institute around industrial modernisation and industry creation.

### 4.7.2 Patras: From Triple Helix Co-operation to Local Action Plan Development

The City of Patras Local Action Plan recognises the city as a commercial port and a nodal commercial and touristic centre that links Greece with the rest West Europe. It is an important academic city with universities, institutions and a science park with experience in applied sciences and new technologies. The action plan recognises the importance of supporting the city's mature economies while creating new economic opportunities.

The Patras LAP identifies that the mature economies of the city could be upgraded through education and skills development in the agricultural and manufacturing sector, supported by consultancy and applied research alongside best practice scanning and foresight or horizon scanning exercises. The creation of new economic opportunities is centred in the Local Action Plan on the development of sustainable industries (e.g. informatics and communications, environmental management and protection) where the University of Patras is active, support for the growth of entrepreneurial businesses linked to the innovation and knowledge developed at the University of Patras, the development of entrepreneurial services (e.g. incubation, start-up support), and the establishment of an informatics & communications and environmental management protection industry identity for the city.

Three thematic categories are identified in the Local Action Plan for Patras:

- Information and Communication Technologies
- Environmental Management and Protection
- Manufacturing, Agricultural and Food Industry technologies

ICT activity in the University of Patras has developed significantly during the last 30 years. Several businesses have been established either to service the public and private sector of the Region of Western Greece, or to provide international products or services. Although there is a highly ICT-skilled human potential in the city of Patras, and at the same time the results of the research activities in ICT field are recognized internationally, the academic sector is isolated and the links between the research community and local businesses are very limited.

The need for collaboration and joint working, in order to give added value to existing ICT products or services, is

an essential requirement for the growth of the local economy. Patras Municipal Enterprise will extend its role as the initiator of activities that bring together local businesses, researchers, and skilled people, by hosting targeted meetings and workshops that highlight emerging ICT sectors and technological trends that will be adopted from business sector with the support of research groups or communities.

In relation to the environmental sector, academic institutions - particularly the University of Patras and the Technical Educational Institute of Patras - have focussed on environmental protection and management, including new types of Green Energy; renewable energy sources; and energy efficiency of buildings and industries. A complete and innovative approach has been proposed from the University of Patras to develop activities and new infrastructures that will allow the University to operate in an environmentally friendly way, reducing the electricity consumption on the University campus. A new solar park, the largest in the urban area of Patras, will be constructed for that purpose and in parallel new technologies will be adopted in order to renovate existing university buildings.

The ULSG members have agreed that there is an existing gap between the University's activities with the methods used currently in primary sector, and more specifically in manufacturing, agricultural production and the biggest part of food industry production. The Chamber of Commerce as a member of the ULSG will take the role of bridging this gap by organising several thematic seminars, workshops and conferences for the local SME's. In these meetings, technological advances in manufacturing, agriculture, and food industry sectors will be presented from selected scientific groups of the academic community, allowing the local businesses to be educated and adopt new methods of production.

Overall, for the City of Patras, their engagement in RUnUP has provided a new instrument for the strategic development of the city and a complementary mechanism for the development and initiation of new actions and activities that support the revitalisation of the local economy. The city's participation in URBACT II has provided an opportunity to co-ordinate economic development activity with stakeholders including the University of Patras, Chamber of Commerce, Hellenic Open University, and Technological Educational Institute.

## 4.8 Potsdam

Potsdam, with a population of more than 150,000 people, is the capital of the state of Brandenburg within the convergence region of Brandenburg South-West. Potsdam considers itself as an integral part of a region whose economic development is closely connected to that of Berlin.

### 4.8.1 Potsdam Introduction

In recent years, Potsdam has undergone significant economic growth with the number of new business registrations per year more than doubling between 2001 and 2004 (from 720 companies to 1,824), while there has been a corresponding reduction in business de-registrations per year from 823 in 2001 to 388 in 2004. As a result of this, business growth Potsdam has created a profile for itself as a modern business centre with a rich tradition: one that is developing increasing autonomy, independent from Berlin, its immediate neighbour. The main activities within its economy is a widely diverse service sector encompassing the areas of media, information and communication, biotechnology, trade, banks, insurance, and tourism.

Research has a long tradition in Potsdam and is characterised by activities in the fields of astrophysics, geodetic surveying, and gravitation research. Potsdam has the densest population of research and scientific facilities of any city in Germany with more than 5,000 highly qualified people employed. In 1948 the State Technical College was founded, which became a Pedagogic College in 1952 and was then included in the newly founded Potsdam University in 1991. In 1954, the German College for Film Arts was founded - now the Konrad Wolf Technical College for Film and Television. The University of Applied Sciences, or the Potsdam Technical College, was founded in 1991 as the third state university in Potsdam. The Hasso Plattner Institute for Software Systems Engineering and the UMC POTSDAM – University of Management and Communication are two private financed and organised institutes.

The RUnUP thematic network seeks to maximise the economic, innovation and entrepreneurship potential of medium-sized urban poles. The challenge facing Potsdam within this context is that while its existing economy is growing and developing in the areas of Media, Information and Communications, and Biotechnology, the transfer of knowledge through students and graduates into the knowledge economy is limited, given the primary focus of the university on research and education and the significant number of students commuting from Berlin to Potsdam on a daily basis.

Significantly within RUnUP, the University of Potsdam

needed to articulate a strategy for enhancing its awareness of structures and processes for increasing its commercialisation activities and how these can align, integrate and mutually support the education and research activities of the University. Additionally, in implementing a strategy for knowledge-based transformation, the University needed to encourage and develop business development skills and capabilities within their staff to support longer-term strategy implementation. Overall, while the City of Potsdam has a significant infrastructure of knowledge-based organisations and business support organisations, the environment for supporting companies is not well-connected and extremely fragmented, resulting in challenges for companies to engage with and be referred to appropriate organisations for support.

### 4.8.2 Potsdam: From Triple Helix Co-operation to Local Action Plan Development

The development of a coherent and challenging vision for a city is a complex activity that is dependant on the city and its stakeholders having a clear understanding of their history, current activities and future direction. The RUnUP partner city of Potsdam highlights this with the activities in its Local Action Plan based on the “Vision for Potsdam”, established in 2010 for its application for European Capital of Culture and identifies the visions that have shaped the city historically. The Local Action Plan developed for the city includes measures that build on this, helping to shape the city’s profile as a science city, enhancing co-operation and communication between local actors, and enabling the city to utilise growth effects of the knowledge economy for both city and region.

In Potsdam, existing policy framework have recognised science as one of the central features within the strategic development plan for the city. The URBACT Local Support Group in Potsdam has developed this further to identify activity areas and specific delivery actions. To show the perspective of a city where science, the local economy, and the public administration share a common goal and act in concert, the ULSG has defined the following activity areas within its Local Action Plan:

- Institutional and conceptual networking
- Communication and visibility
- Innovation and knowledge transfer
- Academic urban life

In particular, the concept of a “House of Knowledge” has been articulated within the Local Action Plan as a central meeting point - predominantly for university staff, researchers, local entrepreneurs, and business professionals - providing a venue for congresses and

conferences. In addition, it will also be used to provide office spaces for science related start-ups.

The Local Action Plan defines a number of measures that have yet to be taken. From the early stages of the delivery of network activity at a local-level, it became obvious that success and support from local stakeholders could only be achieved by integrating the work of RUnUP with the City's economic development strategies.

The most important benefit from RUnUP has been the formation of the URBACT Local Support Group: the bringing together over the medium-term of a stakeholder group from different spheres of the triple-helix who have shared a common goal.

The RUnUP baseline study for Potsdam identified a number of issues connected with triple-helix interaction. Following the completion of the network activity, none of these issues have been completely eliminated, and while some may have been diminished, the overall consensus persists. RUnUP has established a true basis for improving the situation and the Local Action Plan in this context, provides the strategic background and a clear list of actions for local and regional decision makers.

For Potsdam, continuation of RUnUP activity will include the implementation of the actions in the Local Action Plan by the partner members of the ULSG and maintaining the momentum that has been achieved locally through the RUnUP network. To achieve this, the importance of triple-helix co-operation has to be recognised by the key stakeholders at a local-level.

## 4.9 Solna

Solna, with a population of 65,000 people, is located in the east central Sweden, part of the capital Stockholm's metropolitan area.

### 4.9.1 Solna Introduction

During the early 1990s, Sweden suffered an economic crisis, with the impact on Solna resulting in high levels of unemployment. In 1997, politicians from all political parties in Solna agreed upon a strategy to become the most business-friendly municipality in Sweden. Since then, the number of companies has almost doubled to about 8,500 and there are slightly more jobs (67,000) than inhabitants in Solna. The economy has been transformed into a service and knowledge intensive economy and there is virtually no larger-scale manufacturing industry left in Solna. Expansion has intensified the past years and will continue until the year 2025, when the population is expected to reach above 90,000, with an equal number of work places. Solna will then encompass five new city districts, including the "Arena City" with the new National Arena for football and Scandinavia's biggest shopping mall, the "Mall of Scandinavia".

The major sectors of the Solna economy are life science, ICT, corporate services, food, and construction. Food and construction are represented by the fact that almost all major construction and food companies have their headquarters in Solna. In the ICT and corporate services sectors, smaller companies dominate, although some of the larger consultancy firms in the Stockholm region are moving into Solna.

Public sector work places are found at the Karolinska University Hospital and the Karolinska Institutet (KI) University, along with the city employees. KI is a medical university, frequently present in global top 100 rankings, the site of the Nobel Prize awards and Sweden's top ranked university in 2007. With a staff of 3,700; 3,000 graduate students; and 6,000 students it is the largest medical university and the leading research faculty in Sweden. By 2015, a new university hospital (New Karolinska Solna – NKS) will be constructed in Solna. NKS will replace the current university hospital in Solna and become integrated with the new urban district designed to become the borderline between Stockholm and Solna.

### 4.9.2 Solna: From Triple Helix Co-operation to Local Action Plan Development

For Solna, the problem as part of the RUnUP network can be precisely defined. With the world-class KI in Solna and existing activity already in place to support the establishment of Bio-Tech and Life Science companies through KI Science Park and KI Innovations, the focus is upon life science company start-ups and strengthening

the life science brand of Solna. The engagement in the RUnUP network explored options to support an additional tier of spin-out companies through incubation and improvements. In addition, the establishment of stronger relationships between the City of Solna and KI is important in this process.

The established vision of the City of Solna is to develop "Sustainable Solna", a city combining strong economic growth with respect for the environment and sound social development. While the drive for "Sustainable Solna" provides a clear view of where the City wants to be it lacks the perspective on a direction of travel, but this is achieved through its articulation of target areas: economic growth; living environment; security; safety and care; and knowledge and lifelong learning.

The Solna Local Action Plan has been developed as a result of work undertaken since November 2008 by an URBACT Local Support Group consisting of local stakeholders, and more latterly in the framework of the "Stockholm Science City Foundation" steering group in which the City of Solna is a key partner. Stockholm Science City Foundation works to create meaningful co-operation opportunities between academia, industry, and healthcare, to further strengthen the attractiveness of Stockholm Life Solna-Stockholm which is a hub for research and development in the new city district Hagastaden, and join the two cities of Solna and Stockholm together. The Local Action Plan is designed to provide the strategic regional and local background to the environment within which Solna is a key location, to give an overview of the stakeholders involved and detail specific actions that will address the importance of higher education institutions to Solna in developing a strong business base and internationally-renowned life-science cluster.

The Solna Action Plan consists of five actions. The first three focus on the development of hard and soft infrastructure in the new city district Hagastaden and life science activities under the international brand Stockholm Life Solna-Stockholm. One of these actions is the project "Powerhouse Stockholm Life", which aims to develop tailor-made tools and processes to improve the co-operation and knowledge transfer among small and medium life science companies, academic, and healthcare spheres. Such tools and processes aim at making it possible for companies to reach collaboration opportunities, clients, capital, closing of contracts, reach their markets faster and increase the efficiency of their operations. The project will last three years and is funded from EU structural funds by approximately 10m SEK.

The fourth action concerns the possibilities to broaden

the innovation system, strengthen the commercialisation process, and develop collaboration between universities and SMEs through the development of an “Innovation Office”. The role of the Innovation Office is to inspire, inform and stimulate researchers to innovations and create preconditions for these innovations to become of use to society. The aim is to broaden the innovation system and include all innovations, improvements, and discoveries that can be commercialised.

The fifth action is a project developed as a result of enhanced collaboration between Solna and Karolinska Institutet where new areas of common interest have been identified. Health can be a competitive advantage for companies. KI Health Management, the City and a number of leading Solna businesses have initiated the project “Healthy Companies in the Healthy City”, where research results from Karolinska Institutet Health Management are used to inspire companies to promote a healthy lifestyle and a healthy management structure. Employees are of great importance for the companies’ competitiveness in a globalised world, and both research and practical experience show that working to improve the health and well-being of employees has a direct impact on work climate, efficiency, and profit. A series of seminars are organised to highlight the correlation between health and profit, profitable investments in human resources, and how to create a healthy and profitable company.

The process that was initiated by RUnUP has now found its long term sustainable form. The Stockholm Science City Foundation, in which Solna plays an active part, is the natural long term basis for the continued work to develop Stockholm Life Solna Stockholm to a world leading life science area. The Local Action Plan will be under constant review as part of the regular activities of the Stockholm Science City Foundation and by the stakeholders involved in developing Stockholm Life Solna-Stockholm and the new city district Hagastaden.

## 5.0 DISCUSSION AND CONCLUDING REMARKS

From the RUnUP perspective of enhancing the role of universities in our urban areas, it is evident that having a clearly articulated vision of what it wants to be and what it wants to deliver is important. The cities of Águeda, Leszno, and Potsdam, have articulated visions that encapsulate their focus on knowledge economy development and the importance of enterprise and innovation. This provides a real focus and direction that is clear and precise. While both Gateshead and Solna have a clear commitment to enterprise development and to enhancing the role of higher education in their cities, this is balanced among other City priorities within the City vision.

In addition to the development of a City-vision as an integral dimension of the Local Action Plan, the URBACT II network and working group methodology recognises the need that to ensure effective delivery at a local-level, political support at the highest-level is required. From a governance of innovation perspective, there is a need to ensure a long-term approach to collaboration and economic development in which continuation and progression of activity is assured. Without this, the role of the local authority and municipality is extremely limited.

It is clear through the visions and political commitment of the RUnUP partner cities that there is a desire among urban areas to enhance their development of knowledge economies. Universities clearly play a core role in this initiative, yet the involvement of local authorities and city municipalities has been highlighted within the work of the RUnUP network as adding a new dimension to the relationship that universities have with our urban areas. However, the desire of our local and municipal governments to engage in such activity on its own is not enough.

The work of RUnUP highlights that there is often a clear divide in the available resources and activities of our universities and our local and municipal governments. For real triple-helix cooperation and economic development to take place the degree of separation between these organisations needs to be reduced.

The RUnUP partner cities of Águeda, Leszno, and Potsdam, provide a continuum of experience in triple-helix development. The City of Águeda has directly benefitted from RUnUP as a result of the maturity of its approach to triple-helix co-operation. It highlights the real timeframe over which the development of such structures and relationships need to take place and identifies that energy is required to maintain and develop this on an ongoing basis.

For Leszno, RUnUP has provided the initial momentum for triple helix cooperation at a local-level. It has provided the catalyst for change, and with the Local Action Plan and approval of funding from the European Structural Funds, a visible outcome for the work that has been delivered. A key challenge for Leszno will be to maintain the energy and enthusiasm for this cooperation in the long-term that is evident in Águeda.

The delivery of RUnUP in Potsdam highlights the complexity of establishing triple-helix co-operation, particularly in larger urban areas and where there are large numbers of knowledge based institutions. The successful experience of both Águeda and Leszno highlights that for successful triple helix frameworks and cooperation to be established, there needs to be a strong political commitment at the highest-level and at an operational-level a real drive for change.

The development of appropriate conditions for knowledge exchange and technology transfer is an important factor in the long-term sustainability of the triple-helix partnerships that have been established through the URBACT Local Support Group methodology. The range of actions identified by each RUnUP partner varies significantly, but they all highlight the wider range of activity that can be undertaken by universities in our urban areas. The review of triple-helix co-operation highlighted the strong experience of Águeda and Leszno, which has been driven by strong political commitment and a drive for change at an operational-level. This is evident again in reviewing the cities of Gateshead, Barakaldo, Patras, and Solna. In this context, Gateshead and Barakaldo share a common structural challenge in having no university within their authority or municipality area. As a result, they have had to commit extensive resources to establishing relationships, developing new activity, and maintaining a momentum.

In comparison, the City of Patras has an established university which has a relatively strong education and research profile, but a limited range of activity that supports the development of the local economy. While RUnUP has provided an agenda for change at a local-level in Patras through the establishment of the Local Action Plan, to some extent - in the opinion of the RUnUP Lead Expert - the status quo has been maintained as there has not been the same level of political commitment or drive for change at an operational-level that has been evident in other partner cities. Solna, similarly, provides a different perspective. With a World-Class university in their city, and an approach to supporting business competitiveness based on lower taxation, the work of Solna has been driven through its active engagement in Stockholm Life Solna-Stockholm.

The RUnUP cities, and particularly Águeda and Leszno, have highlighted the importance of a triple-helix approach at a local-level to economic development. RUnUP has highlighted the emphasis on the city to use the opportunity URBACT provides to support a platform for the development of local activity. In this context, recognition should be given to implementing structures and approaches that last beyond the lifetime of RUnUP and can be used not only in exploring the role of universities in our cities, but in other development areas.

The three RUnUP partner cities of Águeda, Dunkirk, and Gateshead, highlight how our urban areas can address the limitations of traditional university research and development commercialisation approaches by understanding and developing new approaches that enable knowledge transfer to business in new and dynamic ways. In Águeda, this can be seen in the development of its strategic plan and its network for innovation and competitiveness, which has led to the establishment of a “Lighting Living Lab” and provided a strong platform for the work of the Municipality and University and the design and development of the Local Action Plan within RUnUP.

In Gateshead, this approach has been conceptualised through the adoption of an ‘innovation connector’ approach, which has been promoted at a regional-level and implemented at a local-level in Gateshead in the building of the Northern Design Centre. In comparison, in Dunkirk, it has been the significant funding that has been provided by the Greater Council of Dunkirk to the University that has driven a change of perspective and approach to drive forward both public and private research and development projects, and the initiation of enterprise and entrepreneurship provision within the University.

Critical to the successful engagement of universities in our local economies is the need to drive real and effective change. Both for the RUnUP partner cities and other urban areas, having a ‘real catalyst for change’ is key to the development of university activity in our cities. This catalyst can be both a drive for economic transformation and the appointment of an individual to lead the transformation process at a political or operational-level.

The local authorities engaged in RUnUP need to continue an open dialogue with their local universities. Not all the project partners took the opportunity to engage fully their local universities and other stakeholders in RUnUP, and this needs to be addressed for the successful implementation of the action plans in each city. The action plans present an initial starting point, a platform for development that should be used by the project

partners and their local stakeholders for enhancing their relationships, and developing more detailed and comprehensive actions of a larger-scale.

## URBACT II

**URBACT** is a European exchange and learning programme promoting sustainable urban development.

It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal challenges. It helps them to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT is 181 cities, 29 countries, and 5,000 active participants

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