



Innovate
UK

Strategic Delivery Plan

2022–2025

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Indro Mukerjee (Chief Executive Officer, Innovate UK)

Foreword

We are living in a time of challenge; a time of constant change; but also, a time of very significant opportunity. There's the opportunity to help and improve the present and the opportunity to create the future. A future of prosperity, good health, respect for our planet and environment – and a future of fairness, diversity, and equality.

Innovation, the process that turns science and technology into added-value business reality, is the vital ingredient to helping the present and creating that future. Innovate UK is the UK's innovation agency. We are working towards greater productivity and economic growth by supporting businesses to develop and realise the potential of new ideas, including those from the UK's world-class research base.

We work to inspire innovative businesses to create value through innovation. We work to involve talented organisations and people to create a vibrant and successful innovation ecosystem. We work to invest in innovation to make a clearly tangible positive impact on the UK's economy and society.

In November 2021, we launched our Plan for Action. This document laid out our planned approach to delivering the Government's Innovation Strategy through to 2025 and vision for the UK to be a global hub for innovation by 2035.

This Strategic Delivery Plan describes how, in alignment with the UKRI Strategy, Innovate UK will deliver on that Plan for Action over the next three years, taking a three-axis lens to everything that we do:

- focusing on innovation in three domains (Net Zero, Healthy Living and Agriculture, Digital and Technologies) and then sub domains within them; we will work collaboratively with our partners and stakeholders to build our future economy and society.
- providing innovators with the right products and services they need along their innovation journey; we will develop our offering to ensure that we direct our support to the very best ideas that leverage the private sector investment needed to commercialise and contribute to the ambition to reach 2.4% R&D intensity.
- ensuring that place becomes an important axis and focus of developments of our products and services, and intrinsically linked with our work to contribute to the 2.4% target; we will level up opportunities and productivity across the UK through maximising business innovation capability.

The UK's strong research base is an important foundation in our Plan for Action, and so we will actively work with partners across UKRI and beyond to drive and support the commercialisation of great ideas. We will develop our products and services, working across our domains, Catapults, Knowledge Transfer and EDGE Networks to help business to do this.

We have a strong respect and responsibility for the public money we deploy, and so impact, effectiveness and efficiency are at the heart of everything we do. We have developed an Impact Management Framework which is being rolled out across the organisation to assess impact and act on results. We are committed to innovating Innovate UK to improve what we do and how we do it.

We will celebrate our achievements, made possible by the commitment and talent of our people across the entire organisation – and we will be open and realistic about our challenges, and plans to improve.

Together, we will work to inspire, involve, and invest to support UK business innovation.

Indro Mukerjee
Chief Executive Officer, Innovate UK

September 2022



**Together, we will work to
inspire, involve, and invest to
support UK business innovation.**

inspire | involve | invest

What we will achieve

In November 2021 we published our [Plan for Action](#), working with partners across the UK innovation ecosystem to realise the Government’s vision for the UK to be a global hub for innovation by 2035. This Strategic Delivery Plan sets out how we will use our three-year Spending Review settlement to implement the Plan for Action, through the [UKRI Strategy](#).

The Plan for Action was developed in partnership with other key actors across the innovation ecosystem, and we continue to work with these partners as we implement the plan. Contributions from the **British Business Bank (BBB)**, the **British Standards Institution (BSI)**, **Defence and Security Accelerator (DASA)**, **Defence Science and Technology Laboratory (Dstl)**, the **Intellectual Property Office (IPO)**, and **National Physical Laboratory (NPL)** are included in this plan alongside our own commitments, as we recognise the only way to deliver the ambition of the Plan for Action and the Government’s Innovation Strategy is through continued partnership and coordinated action.

The following sections outline the key themes and foundations of our Plan for Action followed by an overview of the actions we will take to deliver on our commitments and how doing so will also contribute towards each of UKRI’s six strategic objectives. This will support the creation of an outstanding research and innovation ecosystem in the UK that gives everyone the opportunity to contribute and to benefit, enriching lives locally, nationally, and internationally.

Our 12 overarching commitments are:

- 1 We will inspire, involve, and invest in innovation
- 2 We will focus on opportunities for the future economy
- 3 We will support businesses to grow rapidly
- 4 We will help businesses to succeed on the international stage
- 5 We will make it easier to gain innovation support
- 6 We will help government use its power to support innovation
- 7 We will help UK businesses benefit from the excellent research base
- 8 We will help businesses make better use of design
- 9 We will use responsible innovation to take account of wider societal impacts
- 10 We will help businesses enhance the capability of their people
- 11 We will be inclusive and fair, and bring in under-represented groups
- 12 We will help build local strengths and help businesses benefit from them

Our delivery approach is built on five strategic themes and a set of six strong foundations that are central to all our activities.

Five themes



Strong foundations

Our purpose

To inspire innovative businesses to create value through innovation, utilising talented organisations and people to create a vibrant and successful innovation ecosystem.
To invest in innovation to make a clearly tangible positive impact on the UK's economy and society.

Our principles for change – we will embed the principles of diversity, resilience, connectivity and engagement across all our work, to drive change and create the conditions for an outstanding research and innovation system

Our strategic objectives provide the framework for how we will achieve our vision and realise our principles, through world-class:

People and careers	Places	Ideas	Innovation	Impacts
<ul style="list-style-type: none"> • Prioritisation of Talent and Skills pipelines to support UK business innovation, including an Innovation Academy, and foresighting to address skills gaps in business, through complementary programmes to strengthen leadership and commercialisation skills. Targeted EDI interventions and the launch of our No Limits mission will act as an enabler of talent and skills. 	<ul style="list-style-type: none"> • Implement a programme of Launchpad investments, and deliver three Innovation Accelerators in partnership with Department for Business, Energy and Industrial Strategy (BEIS) and local leadership to promote Levelling Up. • Increase our funding for global programmes by 2025, enabling us to support UK business to export. • Investing in the Catapult network and Innovate UK KTN to deliver Government priorities across the UK, and support commercialisation. 	<ul style="list-style-type: none"> • Implement the national roll out of Innovation Loans and expand our investment through private equity matched Investor Partnerships. • Support highest potential SMEs with early-stage innovation responsive grant opportunities through Smart and Fast Start: Innovation grants. • Growth and commercialisation support through Innovate UK EDGE for high potential scaling businesses. 	<ul style="list-style-type: none"> • Expand our commercialisation and collaboration programmes including Knowledge Transfer Partnerships and ICURE, embedding research and business relationships. • Funding to support new standards, codes, regulation, and design innovation to help shape future markets. • Increase access to innovation support across government to SMEs through the launch of the Innovation Hub. 	<ul style="list-style-type: none"> • Focus on innovation and commercialisation within three domains and then subdomains within them, coalescing existing and new programmes to support the future economy: • Net Zero • Healthy Living and Agriculture, including an expansion of Biomedical Catalyst • Digital and Technologies, including Professional Services and Creative Industries.

Supported by **a world-class organisation** – improving our effectiveness and efficiency through UKRI's new operating model: reviewing and streamlining our operations, governance, and stakeholder engagement.



Objective 1: World-class people and careers

People are at the heart of the research and innovation ecosystem in the UK. Innovate UK recognises the importance of focusing on people to support business innovation, with talent and skills and equality, diversity, and inclusion (EDI) two of the strong foundations that run through all we do. Prioritising and championing these two foundations will enable opportunities for innovative businesses to engage with diverse talent for innovation and develop the right talent and skills to increase productivity, embed an innovation culture, and grow their business.

1.1: Innovation talent and skills

Successfully growing a business through innovation takes more than good ideas and Research and Development (R&D). Companies need the right pipeline of talent and skills to increase productivity, embed an innovation culture, and grow their business. Innovate UK will have a leadership role in identifying critical innovation emerging skills gaps in business, realising our role as an authoritative voice on future skills implications for businesses. We aim to understand and support businesses to grow by having access to a diverse and talented workforce, convening and connecting our broad partner community to realise potential and share best practice, and delivering tools that enhance and grow skills for innovation, leadership, and commercialisation.

We will:

- work with government, industry bodies and providers, such as the **IPO** and **NPL** to ensure the skills value chain is an effective route to creating change.
- ensure a diversity of opportunities are available to aspiring innovators by working across UKRI to embed shared values and enable a full spectrum of people to deliver the excellence needed in business innovation.
- create the Innovation Academy, working with partners to create an accessible approach to deliver information, advice, and guidance to all innovators, reward innovative businesses who invest and nurture talent and ultimately realise the potential of the UK's innovation community.
- develop and embed an innovation skills framework to realise innovation, leadership, and commercialisation capability in key roles in innovative businesses and occupations.
- enhance commercialisation skills for the UKRI Future Leaders Fellows through embedding 'Scaling the Edge' business innovation training, and more widely embed innovation and entrepreneurial skills across the collective UKRI talent programmes.
- improve support to all innovators through an approach which directs support and guidance to realise the potential of our innovation community.
- pilot a Further Education Innovation Fund to stimulate increased involvement of businesses in innovation activities focused on adoption and diffusion of innovation.



1.2: Equality, Diversity, and Inclusion

For the UK to be a global innovation hub, we must fully harness the UK's rich diversity of talent and create more opportunities for diverse innovators. This diversity is a key enabler of talent and skills, which in turn will drive business innovation and support culture change.

Innovate UK's ambition is to create a more diverse innovation ecosystem that values difference, excites future talent and enables the best ideas to succeed. Our actions will lead to more businesses driving an inclusive culture, create and promote role models that inspire and build a more diverse pipeline of talent for the future, and encourage more innovations to be developed with improvements in equality, diversity, and inclusion as a goal.

We will:

- introduce the No Limits mission working with partner organisations, networks, and community groups to create an inclusive innovation ecosystem and launch two competitions providing grant for early-stage businesses led by diverse founders and businesses, plus a dedicated No Limits Investor Partnership programme providing grants to be matched by private equity investment.
- deliver a new £2.5 million cohort of Women In Innovation awards and a new £2.4 million cohort of Young Innovators awards, including EDGE support.
- celebrate success and showcase good practice through launching new Inclusive Innovation Awards.
- introduce a new Pledge model for the innovative businesses we invest in to give back and contribute directly to the No Limits agenda. This will include a new package of opportunities to inspire more students from diverse backgrounds into innovation.
- address current data gaps, build evidence and insights around the impacts of promoting EDI in business innovation, and provide tailored EDI advice to innovative businesses through our EDGE and Knowledge Transfer Network (KTN) through the launch of EDI Advantage.

No Limits and the EDI Advantage

In 2022, we will launch the No Limits mission, aimed at uniting regional and national change makers with a shared ambition: for UK innovators and the UK innovation ecosystem to represent UK society. No Limits will unlock the potential of diverse talent in the UK for innovation and involve a portfolio of actions and activities throughout the innovation

ecosystem to Inspire, Involve, and Invest in diverse talent.

We will also launch EDI Advantage to build understanding and awareness of the opportunities and challenges around EDI in innovation, which is core to incentivising change in the innovation community.



- in partnership across UKRI, establish a new EDI Caucus. The Caucus, made up of experts from a broad range of disciplines, will be responsible for providing high-quality interdisciplinary research evidence on equality, diversity, and inclusion that will inform policy and practice in the research and innovation ecosystem.
- act to engage and enable disabled innovators to benefit from Innovate UK support and other opportunities for funding and investment and roll out provision of reasonable adjustment support for disabled applicants.
- enable a significant increase in the diversity of applicants and beneficiaries across our programmes, creating opportunities for innovative businesses to engage with diverse talent for innovation, including delivering peer networks involving over 50,000 innovators and 1,500 grants through No Limits funding streams.

Objective 2: World-class places

To secure the UK's position as a global innovation hub we need to do more than support the people, ideas, and businesses that will drive innovation. We need to develop an agile and responsive innovation ecosystem that will make it easy for businesses to navigate and access the institutions, infrastructure and help that exists in the UK.

Our underpinning approach to Place and Levelling Up will support all parts of the UK to increase their innovation capabilities and capacity and deliver better connection and alignment between national and local innovation programmes and strategies.

And our focus on global opportunities will help more UK businesses make global success a key part of their innovation-driven growth, and the UK the international innovation partner of choice and one of the most attractive places in the world to do innovation.

2.1: Innovation ecosystem

The UK’s innovation ecosystem fosters innovation from conception to commercialisation, adoption, and diffusion. As the UK’s innovation agency, Innovate UK plays a key role in this ecosystem by investing, inspiring, and involving a broad range of actors in the public and private sectors necessary to foster a strong innovation culture and provide access to networks, knowledge, and facilities in the UK.

Innovate UK Knowledge Transfer Network

In November 2021, Innovate UK strengthened the way of working with Innovate UK KTN to ensure strong strategic coherence in delivery of the Government’s Innovation Strategy and our Plan for Action. Innovate UK KTN brings complementary talent and insight to further drive the development and delivery of new Innovate UK products and services and strengthens our ability to inspire more diverse innovator and investor communities.

To enable greater agility, responsiveness, and co-ordination among innovation actors, we will:

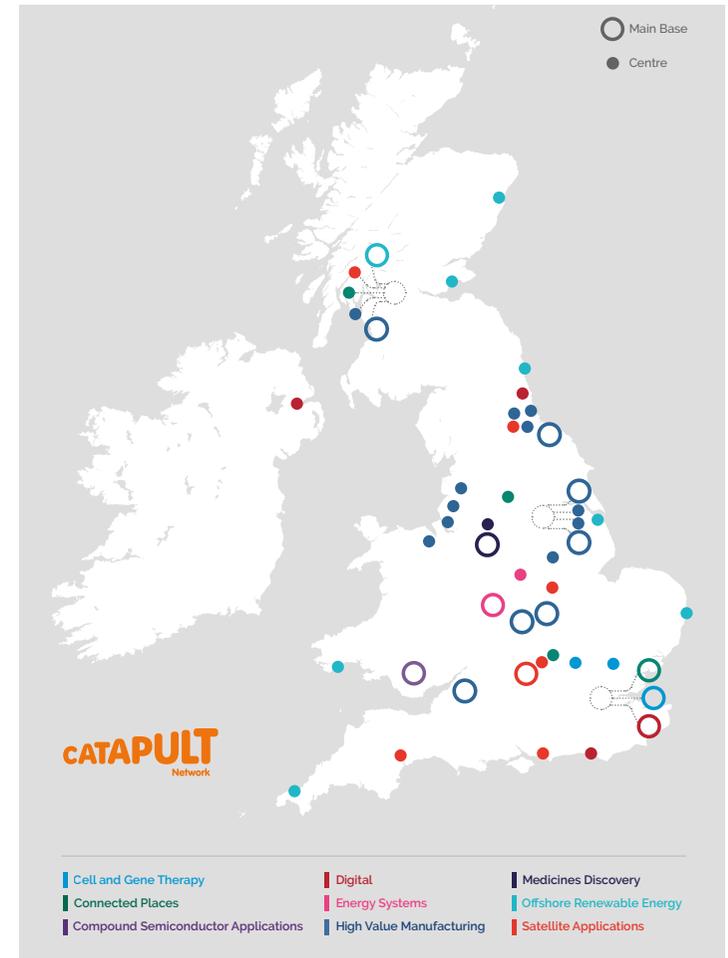
- expand our Innovate UK KTN offering to provide funding for around 130 innovation, technology, and sector experts with experience of successfully convening and facilitating collaboration across the UK, including with investors, international partners, and academia.

Catapults

Our Catapult network is a key part of the innovation ecosystem, enabling economic growth through the provision of unique capability and facilities to businesses across the UK. Each Catapult is embedded in a key sector, such as High Value Manufacturing or Offshore Renewable Energy. Some Catapults explore applications for underpinning technologies across multiple sectors, such as Satellite Applications, who drive the take-up of space technology and applications to shape and sustain the world of tomorrow, or Compound Semiconductor Applications, accelerating wider adoption in their field. Catapults are critical national assets, and we will ensure that their value is recognised and exploited across government, as well as for the businesses they support. We will explore opportunities for Catapults to do more to stimulate and leverage private sector investment in innovation and enhance access to Catapults for SMEs through our EDGE Growth Support programme.

We will:

- commit £870 million over the spending review period, including £280 million in 2022–23, building on the success of individual Catapults to create more value for the UK economy.
- develop capability and capacity to support key Government priorities, particularly levelling up opportunities for innovation across the UK.



Catapults: access to expertise and equipment across the UK



2.2: Place and Levelling Up

Innovation is integral to reducing inter-regional disparities in productivity and business growth. Local clusters have a pivotal role to play in attracting high-quality jobs and investment. Our ambition is to increase local impact, improve capacity for innovation, and drive productivity in places across the UK through wider adoption and diffusion of cutting-edge technologies. We are also excited to identify opportunities to co-develop local actions plans with local leadership, leveraging the reach and breadth of UKRI collaborations.

BBB aims to make finance markets work better for smaller businesses across the whole of the UK. At the Spending Review, the government announced a £1.6 billion commitment to the next generation of UK regional funds. Together across UKRI, Innovate UK are working closely with BBB in the development of new UK Regional Funds, exploring how these funds and UKRI programmes can better connect innovative small businesses across the UK to the appropriate financial support.

We will:

- introduce an ambitious new programme of Launchpad investments across the UK. We will establish up to 10 Launchpad investments, anchored in high-growth innovation SME clusters. We will work closely with the Science and Technology Facilities Research Council (STFC) Daresbury in the pilot phase to exploit the campus for the benefit of businesses in the

North-West of England and embed learnings across the wider programme.

- work with **BEIS** to launch the three new Innovation Accelerator pilots that were announced in the Levelling Up white paper. We will evaluate the approach to inform future policy for cluster development. These programmes will be co-developed with local stakeholders in the City Regions of Glasgow, Greater Manchester, and The West Midlands.
- work in close partnership with Research England to deliver and evaluate the impact of the £312 million portfolio of Strength in Places Fund projects driving 12 place-based clusters around the UK.



2.3: Global opportunities

There are significant advantages to a stronger global approach, supporting businesses to think and act globally, making the UK an international innovation partner of choice. Over the next three years we will increase our annual spend on global programmes, enabling us to build partnerships with key countries in areas of complementary strengths to address global challenges, and enable innovative UK businesses to access, explore and exploit new opportunities through bilateral relationships and multilateral programmes, including those through the Eureka framework.

We will:

- continue to expand our delivery, enabling a significant increase in the number of UK businesses we support make global success a key part of their innovation-driven growth and scaling journey by 2024–2025, through our global growth programmes such as the Global Business Innovation Programme, Global Incubator Programme and Global Explorer.
- through our 2022 hosting of the Presidency of The European Network of Innovation Agencies (Taftie), showcase the best of UK innovation and provide opportunity to take a leading position on behalf of our fellow agencies, focusing on important areas including global collaboration, equality, diversity, and inclusion, and scaling innovative businesses.
- ensure support for UK innovators is coherent across the internationalisation ecosystem through our Global and EDGE teams working with the relevant **Department for International Trade teams, BSI, the IPO**, and others.

Objective 3: World-class ideas

Markets and technologies evolve in ways that cannot be precisely predicted. Innovators need the freedom and support to follow their curiosity, take risk and test radical new ideas through a carefully curated package of products and services. Celebrating world-class ideas, our [Plan for Action](#) highlights the importance of creating a more responsive and agile innovation ecosystem, that supports companies to respond to global market opportunities and emerging innovation challenges in a coherent and creative way, complemented by a range of responsive financial products at different stages to allow growth at scale.



3.1: Access to responsive innovation finance

To tap the potential that exists in UK businesses, we will ensure that our products and services are directed where they are most needed, at the best ideas which will gain the most from public finance, and where we can best leverage the private sector investment that will be required to make these ideas a commercial reality.

In our Plan for Action, we set out our commitment to help companies grow and scale through innovation and support the ambition to increase total R&D investment to 2.4% of GDP by 2027.

We recognise that companies need different kinds of financial products at different stages of their growth and innovation journey. We have expanded our offer to include loans as well as grants and are working more closely with equity investors to help the companies we support get the capital they need to exploit their innovations and grow. Our investment will be backed up by tailored access to our EDGE Growth Support, enabling the best ideas to move towards market whilst securing the highest return on public investment by leveraging private sector finance.

We will:

- launch the full national roll-out of our Innovation Loans programme, committing £50 million for 10 competitions in 2022–2023.

Examples of responsive finance support

- Early-stage funding through Fast Start: Innovation grants for small and micro-businesses that have not previously received Innovate UK funding to grow and realise their ideas faster, with Smart grants available for SMEs and their partners where the idea is proven but further R&D is required to realise the route to market.
- A scaled-up programme of Investor Partnerships, providing grant funding for R&D projects to investment-ready SMEs with aligned private sector-led risk capital through equity investment. Grants are provided where the company is also able to secure equity investment, and brokerage between applicants and investors is provided.
- Innovation Loans as a fully launched programme following a successful pilot, offering repayable finance for businesses who have identified a clear route to market but are still pre-revenue or pre-profit. Working with partners including the **Scale Up Institute**, we will set up dedicated peer learning groups for successful loan applicants. **DASA** and Innovate UK are working together to deliver £15 million of Defence Innovation Loans over three years. Competitions will be open to SMEs addressing solutions to defence themed problems and bring them to commercialisation.
- Expansion of our EDGE Scale-Up program, including support to strengthen boards and governance structures and thus readiness for next stage funding.
- following a successful pilot, roll out Investor Partnerships as a key part of our portfolio, substantially increasing our commitment over the 2022–2025 SR period with matched private equity investment.
- continue to provide grant funding for high-potential early-stage innovation ideas on the route to commercialisation through expanding our Smart competitions.
- propel ideas and innovations in one or more of the seven technology areas outlined in the Government’s Innovation Strategy to solve the specific challenges of Net Zero and self-driven healthcare and wellbeing. This will include grants for small and micro-businesses that have not previously received Innovate UK of up to £50,000 as part of a total commitment of £30 million for Fast Start: Innovation grants 2022–23.

3.2: Building insight to strengthen impact

Our ambition is to constantly survey the horizon and respond intelligently to emerging research, technologies, and innovation trends.

We will:

- increase understanding of opportunities from emerging research, technologies, and innovation trends by continuing to work with **Dstl** and others to support the innovation ecosystem conditions needed to enhance technology adoption and diffusion.
- increase our investment in leading research and analysis to inform strategy, interventions, processes, and practices throughout the innovation ecosystem, through the new UKRI Innovation and Research Caucus, co-funded with the Economic and Social Research Council (ESRC).
- work to further influence policy through Local Policy Innovation Partnerships with ESRC and jointly invest to establish the Diet and Health Open Innovation Research Club with the Biotechnology and Biological Sciences Research Council (BBSRC).





Objective 4: World-class innovation

We recognise our role as so much more than funding innovation, we create the conditions that allow innovative businesses to thrive in the UK. Innovate UK plays a central role in delivering both the Government’s vision for the UK to be a global innovation hub by 2035 and UKRI’s ambition to help businesses to grow through the development and commercialisation of new products, processes, and services, supported by an outstanding research and innovation ecosystem.

We work to catalyse and drive the future UK economy by inspiring, involving and investing in local and national business innovation, unleashing the UK’s innovation potential, and driving economic growth to bring solutions to market and increasing total R&D investment to 2.4% of GDP by 2027. We will inspire more businesses and individuals to adopt innovative ways of working and drive innovative solutions and technologies that ensure more business are investment ready and prepared to grow at scale, and support businesses and entrepreneurs to draw on the knowledge and ideas in our world-class research base to build commercially successful business propositions.

Helping ambitious SMEs grow

Innovate UK EDGE helps ambitious SMEs to grow and scale with tailored support from our 340 specialists embedded in every region and nation. The Innovate UK EDGE Scaleup Programme is at the apex of the service and is geared to clients exhibiting the highest growth potential. The specialists also draw on our relationships with organisations and players across the innovation ecosystem to unlock resources for clients, such as Catapults and funding and finance intermediaries. Building on the commitments in the Government's [Innovation Strategy](#), we will increase funding for Innovate UK EDGE to £40 million in 2022–23, reaching up to £50 million in 2024–25.



4.1: Growing innovative businesses

Growing innovating businesses are key to a strong, sustainable, and competitive UK economy. We will use our leadership and connectivity to help more businesses to adapt, innovate, grow and scale. Businesses scaling up appear in all sectors, and successful scaling is relevant to companies of all sizes. It is important for us to enhance our offer so that more high-potential and scaling businesses can become investment-ready and crowd-in growth capital.

Through EDGE, we will:

- equip more innovative business, beyond existing Innovate UK award beneficiaries, with the advice and resources to achieve their growth ambitions by piloting tools such as peer and alumni networks, and by improving access to these services through our digital platforms.
 - foster stronger relationships with **BBB, DIT, BEIS & other government departments, Growth Hubs and their Devolved Administration equivalents**, resulting in our plan to create and embed EDGE Ecosystem Innovation Specialists.
 - maximise opportunities for innovators growing and scaling in domestic and international markets by continuing to deploy IP expertise to clients and work with the **IPO** to target the right companies to access their IP Audits and IP Access schemes.
- join up our Investor Partnerships Programme, portfolio investor showcase and work with **BBB** to ensure that innovators can access the right financial product.
 - boost investment readiness of high potential businesses by building on the Innovate UK EDGE Invest-ability and Pitch Panel offers, working alongside private sector partners including with the **London Stock Exchange group**.
 - work with the **ScaleUp Institute** to further develop our peer-to-peer activities, including piloting joint peer-to-peer groups with **BBB**, bringing together businesses from the **BBB Future Fund** and Innovate UK beneficiaries.
 - build the capacity of UK innovators working with our private sector partners to build better boards and to make use of Non-Executive Directors as a strategic growth tool.
 - continue to work with **BSI** to provide British Standards Online (BSOL) to EDGE advisors and the SMEs they work with. BSOL is the simple online tool that gives users instant access to standards, ensuring standards do not become a barrier to growth for businesses.
 - inspire future leaders and champions of innovation by identifying and celebrating our diverse Innovation Heroes.



4.2: Accelerating the translation and commercialisation of university research

Innovate UK are uniquely placed to work across UKRI to help businesses exploit our science and research strengths and create a stronger culture of collaboration, research commercialisation, and demand-driven innovation.

To deliver this, we have committed to further strengthen Knowledge Transfer Partnerships, supporting knowledge exchange between academia and companies, and increasing our investment in research commercialisation, focusing on accelerating early-stage, high-potential technologies, venture, and entrepreneurs. Recognising the importance of building commercialisation skills in academia, we will set out to better incentivise knowledge exchange and commercialisation in academic careers, and work with relevant partners to increase understanding and awareness of such skills, including in intellectual property, technology valuation, standards, metrology, and deal-making.

We will:

- significantly expand our support for commercialisation and collaboration through our established Knowledge Transfer Partnership programmes, running five rounds of competitions in 2022–23, and four rounds of ICURe programmes, as well as piloting and developing new approaches including Scaling the Edge and Accelerated Knowledge Transfers (AKT).
- further opportunities with **BBB** to drive improvements in access to early-stage financing for companies emerging from the R&D base.

Our commitment to research commercialisation across UKRI

- A proactive programme was launched six months ago to reach out and foster expanding business innovation project collaboration with Research Councils. This programme formed the basis for many new activities, some of which include:
 - Further commercialisation within key UKRI-supported institutes, including **The Alan Turing Institute, Henry Royce Institute, Rosalind Franklin Institute and Quantum Hubs**, investing £5 million over the spending review period working closely with EPSRC and MRC.
 - Partnering with ESRC to unleash innovation through co-developing a social science commercialisation accelerator, committing £2 million over three years.
 - Partnering with the Engineering and Physical Sciences Research Council's (EPSRC's) collaboration fund, committing £10 million to co-development of high business impact investments.
- Developing and launching a strategic investment of up to £14 million with BBSRC and EPSRC to enable businesses, academic researchers, and other stakeholders to catalyse and expand research, innovation, and commercialisation in sustainable biomanufacturing across the UK.
- As part of UKRI and with partners, bringing additional financial contributions to support the UK Innovation and Science Seed Fund.
- With Research England and through our KTN, providing a support programme to smaller or specialist institutions that are eligible for, but not currently in receipt of Higher Education Innovation Funding, strengthening existing partnerships and creating new ones.
- Embedding guiding principles and best practices for research commercialisation across UKRI by supporting the UKRI Research Commercialisation Funding Framework.

We will undertake a shared data project with a focus on spin out firms and publish a paper summarising the findings in Summer 2022, evidencing areas for potential future work.

- support researchers to understand standards development opportunities and the growth opportunities afforded to businesses who can

contribute to standards development in new and emerging markets by working closely with the **BSI**.

4.3: Adoption and Diffusion

The best ideas, even if brought to market, can only achieve impact if they are adopted by the market and more widely diffused into common use by customers. The Government's [Innovation Strategy](#) has a strong focus on innovation diffusion to drive productivity improvements. And our own [Plan for Action](#) recognises the role Innovate UK can play to increase adoption and diffusion of innovation across the UK. Over the Spending Review period, we will pilot approaches to maximise diffusion through several routes, building on and adapting mechanisms within Innovate UK.

We will:

- launch a campaign of workshops and networking, facilitated through Innovate UK KTN around cutting-edge capabilities relevant to sectors, such as the diffusion of Artificial Intelligence, to enable matchmaking and greater awareness of opportunities and benefits of enabling technologies.
- pilot a shorter version of Knowledge Transfer Partnerships as AKTs, focused on rapidly building understanding and capability to adopt new solutions in industry.
- support local innovation centres in Further Education Colleges, which address the needs of local employers and target skills gaps.
- deliver local Innovation Diffusion pilots focused on the adoption of particular technologies within a region. These will be complementary or integrated into Launchpad programmes.

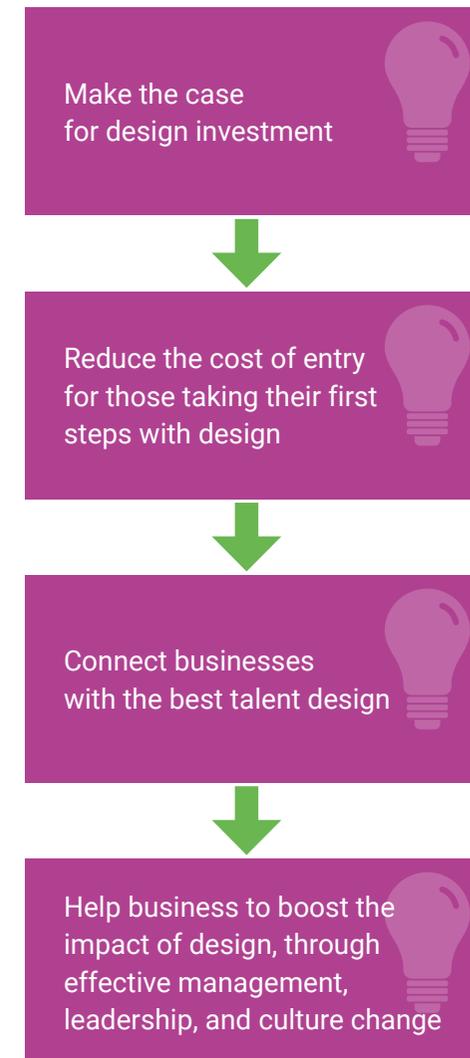
4.4: Design

New ideas can only create value if they are adopted and used by people. Innovators need to understand human behaviour, and make sure their ideas are desirable, useful and can be readily adopted. Design helps businesses to understand and reframe challenges, discover opportunities, and to create innovative products, services, places, and business models. The UK is home to world-class design talent, with potential to unlock significant economic, social, and environmental value. Nevertheless, it remains an underused capability.

To unlock the potential of design we will:

- strengthen the pipeline of great ideas through running at least six Ignite Labs, including two regional Ignite Labs, feeding into Design Foundations. Participants will explore the future economy through a design lens and identify innovation opportunities relevant to their business. They will plan design-led activity to inspire new ideas in response to those opportunities.
- support early investment in design for long-term social and environmental impact through new Designed to Deliver competitions. These will provide funds to support the commissioning of high-value design solutions via outcome-based contracts.
- continue to provide design management coaching to over 100 high-growth SMEs through our EDGE Design for Growth programme.

Our design programmes have four key aims



- connect business and design communities, inspire action, and develop and promote best practice. Innovate UK KTN will convene and support a national Design Innovation Network, which will engage over 5000 active members from industry, research organisations and the public sector
- work closely with the Arts and Humanities Research Council (AHRC) and ESRC, convening an Advisory Group of design leads to align mutual interests, set goals, and develop initiatives that reflect UKRI ambitions.
- help more innovative businesses unlock the potential of design through support mechanisms embedded across our programmes.



4.5: Government regulations and standards

Our Plan for Action recognises the importance of regulatory and market frameworks shaping and supporting innovation. Innovate UK provides dedicated funding to support the development of new standards, codes, and regulation to shape future markets, accelerate business innovation, and achieve societal good.

Partnering across government and the wider public sector, including the **BEIS Better Regulation Executive, Cabinet Office, regulators, and groups such as the Regulatory Horizons Council**, we aim to deliver on the government’s ambitions to create a world-leading regulatory environment in the UK that is agile and outcomes-based. Together, we will

ensure regulation, standards, measurement, and accreditation are considered early in the process of designing new sector or challenge-based activities.

We will:

- work towards establishing three Regulatory Innovation Hubs in priority areas working closely with relevant sectors and parts of government, aiding the co-development of regulations and standards. These will build on the outputs of Taskforce on Innovation, Growth and Regulatory Reform workshops.
- establish a ‘regulation index’ through Innovate UK KTN, which identifies how well countries across the globe are using regulation as a lever for innovation.
- shape innovation regulations and standards by working with strategic partners **UK National Quality Infrastructure partners (BSI, NPL, United Kingdom Accreditation Service (UKAS) and the Office for Product Safety and Standards (OPSS)** to design, develop and deploy interventions that promote the use of standards in stimulating innovation.



4.6: Procurement

We recognise the importance of public procurement in driving innovation, encouraging businesses to develop new solutions to public sector issues, and acting as a powerful lead customer to stimulate further private sector investment. The Small Business Research Initiative (SBRI) is one form of pre-commercial procurement that is already widely used in the public sector.

We will:

- use the [evaluation](#) published in May 2022 as the base of a campaign to increase understanding of the SBRI and opportunities afforded by procurement to stimulate innovation and improve public services. This will help us continue to support the delivery of SBRI competitions across the public sector and UK.
- increase the public sector’s role as an early adopter of innovation through procurement.
- establish a ‘Procurement of Innovation Centre of Excellence’ that can be a one-stop shop for best practice.
- work with **BEIS, Cabinet Office, Crown Commercial Service** and other SBRI users to ensure that Innovate UK, its partners and collaborators, and the public sector are fully prepared to increase the government’s role in stimulating innovation through procurement.



Objective 5: World-class impacts

A growing global population, improving the quality of life for all, and the need to conserve resources and protect the environment mean the global economy will look very different by the end of this century. We must do things differently if we want to have a stronger, more equitable economy and protect the environment. Business innovation is essential to delivering these world-class impacts and the UK has the breadth and depth of research, innovation, and technological capabilities to lead the response to these global challenges. There are significant opportunities for UK businesses to understand and respond to global trends that will shape the future economy and society.

Following a review of where Innovate UK can add most value in supporting businesses to meet the UK economy's needs and maximise our impact, we are excited to announce that we have identified three domains around which we will coalesce both existing programmes, including the highly successful Industrial Strategy Challenges (ISCF), and new targeted programmes.



5.1: Net Zero

Our vision is for the UK to prosper from being the fastest transitioning economy to net zero, and address UKRI's strategic theme Building a Green Future. The [UK Net Zero Research and Innovation Framework](#) says that the global market for low carbon goods and services could be worth up to £1.8 trillion by 2030.

As part of an overall investment of over £1.2 billion in Net Zero over the Spending Review 2022–23 to 2024–25, we will ensure focus on key challenges and technologies through Catapults, ISCF challenges, and our targeted programmes.

We will:

- invest in new programmes focused on key Net Zero themes (see highlight box).
- invest in areas of UK strength with high carbon reduction and market potential to demonstrate how we can scale-up activity across the UK by working in new, closer ways with green finance, skills providers, and regional clusters so that they engage sooner and deeper.
- continue to work closely with the Natural Environment Research Council (NERC) on Green Finance, building on the UK Centre for Greening Finance and Investment (CGFI), investing £2 million over the spending review period.
- keep the UK at the forefront of global fashion by becoming the leader in Circular Fashion, working closely with NERC, AHRC and across UKRI to deliver targeted programmes, investing £5 million over three years.

We will focus new programmes on key Net Zero themes:

Power: Develop new energy vectors to fuel vehicles, heat buildings and power industry.

Mobility: Move to electrified and net zero powertrain and reduce carbon through digitilisation of transport.

Heat: Move away from gas heating space and water in all buildings.

Net Zero Living: Develop new products and services that transform where we live and work into net zero places.

Make and Use: Transform industry into an advanced, resilient and responsible system.

Green Finance: Increase private investment into green businesses and support their scale-up.

Circular Critical Materials: Develop supply chain resilience in a variety of mineral raw materials.





5.2: Healthy Living and Agriculture

Building on the Government's Life Sciences Vision, our vision is to enable people to live longer healthier lives by driving transformational change and realise the UK's position as a world-leader in life sciences. This domain supports UKRI's strategic themes Securing Better Health, Ageing and Wellbeing; Tackling Infections; Building a Green Future; and Creating Opportunities, Improving Outcomes.

Across our strategic funding, Catapults, and ISCF challenges we will invest over £600 million on Healthy Living and Agriculture over the Spending Review period.

We will:

- invest in new programmes that focus on five key 'Ps' (see highlight box).
- bring together the partners required to deliver interventions supporting innovation that are accessible to all and reduce both healthcare and diet related inequalities, leveraging UK translational research strengths alongside recent innovation infrastructure investments so that by 2030 the UK is the country of choice for Medicines Manufacturing, Technology and Innovation translation and scale up for Life Sciences.
- expand our Biomedical Catalyst (BMC) programme, the primary Innovate UK grant funding mechanism for supporting UK health and life sciences SMEs. This will be delivered through three streams of competitions:

- BMC Accelerator-Feasibility: for start-up or early-stage companies, allowing them to gain a foundation in entrepreneurship, experience the business ecosystem, develop new knowledge and skills, with an opportunity to gain financial support for market and technology feasibility studies.
- BMC Industry-led R&D: Grant funding for industry-led innovation projects.
- BMC Investor Partnerships: To de-risk private investment in later-stage projects. Funding is matched by private investors.



We will focus on the five 'Ps' for our new programmes

Promote: Healthier living through innovation in products and services; Improved diet and nutrition.

Predict: Onset of disease and enable earlier interventions; Climatic and global instability shocks; Food demands; Supply chain challenges.

Prevent: Major societal health threats, including chronic diseases and infections; Crop and livestock disease.

Provide: Improved disease management; Transformative medicines and tools for self-management; Transformative and efficient manufacture and supply of medicine; Safe healthy and affordable food for all.

Produce: Efficient, healthy, and sustainable food; New medicines.



5.3: Digital and Technologies

Building on the Government's [Innovation, National AI](#) and [Cyber Strategies](#), as well as the [Integrated Review](#), our vision is to identify and catalyse digital and other technologies, support their deployment and adoption to transform existing sectors and companies, and to enable the emergence of new sectors and companies to meet new societal and environmental needs. This domain will address UKRI's strategic theme Building a Secure and Resilient World.

We will focus new programmes on five key areas

Creative Catalyst: Supporting creative industries in the UK.

Bridge AI: Encouraging the adoption and diffusion of Artificial Intelligence in low-maturity high growth potential sectors.

Quantum: Continue to deliver the Commercialising Quantum Technologies Challenge, which builds on the UK National Quantum Technologies Programme.

Services: Transforming the efficiency and resilience of professional services.

Semiconductors: Supporting the UK to become a global leader in semiconductors.

Across our Strategic funding, Catapults, and ISCF challenges we will invest over £380 million on Digital and Technologies over the 2022–2025 Spending Review period.

We will:

- invest in new programmes focused on five key areas (see highlight box).
- go beyond supporting technology development, recognising the importance of collaboration and ecosystems in our programmes so we can support industry to commercialise technologies faster, bring skills and talent to the economy sooner, accelerate scaling up the businesses and invest in areas of UK strength with high market potential, catalysing private investment.



5.4: Delivering innovation for Government

As the UK's innovation agency, we play an important role working across Government to support the design and delivery of programmes to address government and industry challenges and opportunities. We work with partners across government and the public sector to catalyse innovation. Over the next three years we will manage and deliver major innovation programmes on behalf of Government in high priority areas.

We will:

- coordinate the aerospace ATI Programme in partnership with **BEIS** and the **Aerospace Technology Institute**, delivering £685 million of funding over three years to meet the objectives and priorities of the [UK Aerospace Technology Strategy](#).
- support the **Advanced Propulsion Centre's** £75 million a year budget and £25 million a year for R&D supporting the Automotive Transformation Fund with the aim develop a high-value end-to-end electrified automotive supply chain in the UK.
- help decarbonise transport through £299 million for R&D programmes and by delivering the **Centre for Connected and Autonomous Vehicles'** £60 million allocated over the spending review period, working in partnership with the **Department for Transport (DfT)**. Innovate UK will also commit £117 million of its own budget to the same aims. At the same time, we will deliver **DfT's** £7.5 million 'first of a kind' demonstrator competition to accelerate innovation in the UK's rail sector.
- continue the success of the **Office for Gas and Electricity Markets (Ofgem)** Strategic Innovation Fund (SIF), investing £450 million in energy network innovation from 2021–2026 to find and fund ambitious, innovative projects with the potential to accelerate the transition to net zero.

- transform productivity and enhance environmental sustainability in England's agricultural and horticultural sectors by delivering, on behalf of **Defra**, two strands of their ambitious long-term Farming Innovation Programme.
- co-lead development of a programme with **BEIS** and across UKRI to derive strategic advantage from high potential platform technologies in areas such as AI, quantum technologies and engineering biology.
- leverage the UK's world-leading research base, clusters, and innovation hubs to deliver the National Space Strategy by delivering space-related innovation activities in collaboration with STFC, **BEIS**, the **UK Space Agency** and the Satellite Applications Catapult.
- maximise UK economic and strategic advantage from key technologies by establishing the Seven Technology Families Development Fund aligning it with focus areas of the **National Science and Technology Council (NSTC)** and **Office for Science and Technology Strategy (OSTS)**.

Supporting innovation impacts across UKRI

We will also work collaboratively with partners across UKRI to deliver innovation in impactful technology areas. Building on the success of Phase I, we will commit £2.5 million over five years from December 2022 to renew Innovate UK's commitment to Phase II of the National Biofilms Innovation Centre, co-funded with BBSRC. This will catalyse research collaboration with industry to achieve breakthrough innovation in biofilm science and technology. We will further our strategic partnership with BBSRC to explore and create future programmes of collaboration and co-investment in mutual priority areas, including microbial communities. Together, we will jointly invest at least £20 million in capacity building, research, innovation, and business-led commercialisation to help develop alternative, more sustainable protein sources. With **Alzheimer's Society** and the Medical Research Council (MRC), we will co-fund a new Longitude Prize on Dementia to develop assistive technologies which transform the way people with dementia live their lives.

Analysis for innovators

We will continue to work with our Plan for Action Partners and across UKRI to maximise the impact of our Analysis for Innovators (A4I) programme. SMEs can apply to access cutting-edge R&D expertise and work with world-leading scientists and research facilities to solve technical analysis or measurement problems that are holding back innovation. A4I is led by Innovate UK, alongside original funding partners the **National Physical Laboratory (NPL)**, the **National Measurement Laboratory at LGC**, the **National Engineering Laboratory (NEL)** and STFC. We will continue to build on the success of A4I, which will enable Innovate UK to deliver up to eight rounds through to 2025, and strategically partner with STFC to create two programmes of collaboration and co-investment in mutual priority areas which includes further developing A4I and Bridging for Innovators.



Objective 6: A world-class organisation

Innovation begins at home; leading by example, we will be ‘innovating Innovate UK’ to energise and maintain our position as a world-class innovation agency for the benefit of businesses and the innovation ecosystem as a whole. Our [Plan for Action](#) signals the start of a new chapter for Innovate UK as we build on our early successes and learnings to create a more efficient, agile, and responsive organisation that will help deliver the Government’s and UKRI’s visions, and champion diversity, creativity, and collaboration across the innovation ecosystem.

6.1: Innovating Innovate UK

‘Innovating Innovate UK’ will focus on how we are truly innovative ourselves to stay at the forefront of innovation and keep pace with those we fund and support. We will improve our effectiveness and efficiency: reviewing and streamlining our operations, governance, and stakeholder engagement, integrated within UKRI’s new operating model. We will work collaboratively as part of UKRI in delivering the overall Public Engagement Strategy, involving a broader range of people and organisations in the design and delivery of our work. Recognising the environmental challenges and changes we collectively face; we will work together to enhance our own environmental sustainability and help our partners and stakeholders to harness new and innovative solutions. We will be open and realistic about our challenges, and plans to improve, including reviewing all our products and services, and the way in which we do funding. We welcome feedback as we progress along this journey.

We will be leading a programme of work to innovate the shape and culture of Innovate UK so that:

- Innovate UK leads as a strategically coherent organisation with a clear and measurable purpose and impact.
- we continue to provide and enhance easily navigable and accessible services for businesses and innovators so they can find the right advice, support and guidance they need through the launch of the Innovation Hub and Innovate UK Portfolio.

- Innovate UK is easily navigable for our internal team, enabling us to move with care and speed, implementing a digital strategy to maximise efficiency and demonstrate world-class digital transformation internally.
- everyone is valued for who they are and what they bring, ensuring we undertake workforce planning, so we identify, retain, and develop our talent.
- we can proactively collaborate across the innovation ecosystem to deliver our collective ambitions, particularly Net Zero, levelling-up and 2.4% R&D intensity targets.

6.2: Our people

People are at the heart of the research and innovation ecosystem, and they are central to everything we do as an organisation. We are committed to developing a truly diverse and thriving innovation ecosystem, and creating an internal inclusive culture that welcomes and celebrates diversity in all forms, which will empower our talented people to thrive and collaborate across UKRI and with our partners and stakeholders.

We will:

- create a Workforce EDI Plan to support these ambitions, which will focus on creating and embedding a culture of diversity, inclusion and belonging. This will include goals and actions which aim to reduce our gender pay gaps, develop our knowledge and confidence in diversity and inclusion, and work to create,

embed and sustain a culture where we are able to be our authentic selves and do our best work.

6.3: Our impact and evidence

Innovate UK has a significant role to play in making the UK more attractive for global innovation, delivering better products and services, and improving health and wellbeing. It is vital that we continue to access and produce the latest data, analyses, and insights to understand the challenges and opportunities we face, and how we might need to balance or prioritise our actions in response.

We will:

- continually monitor our progress to understand the impacts and outcomes of our work so we can highlight where our actions are driving the most benefits. In pursuit of this, we have developed and launched an Impact Management Framework (IMF) to enable effective monitoring of the impacts of our activities in a way that is systematic, robust, consistent and compelling.
- develop logic models and SMART objectives across our programmes and carry out independent evaluation to ensure delivery of what we set out to achieve, providing learnings so we can continue to evolve.
- develop our horizon scanning and foresight capabilities so that we understand risks and trends and use these in our future planning processes.



Innovation Hub

An online portal providing easy access for businesses to the wide range of offers across all of government. The Innovation Hub will enable more innovating companies to access support. Due for release: Autumn 2022



Innovate UK Portfolio

An online portal enabling potential investors to easily see Innovate UK beneficiary companies and spot opportunities for investment, collaboration, and support. Due for release: Autumn 2022



Digital Strategy

To demonstrate world-class digital transformation capability internally our Digital Strategy will involve:

- a product-based approach
- automation of customer experience
- better data capture and sharing



Workforce EDI

Create a Workforce EDI (Equality, Diversity and Inclusion) Plan which fosters an internal inclusive culture. One that welcomes and celebrates diversity in all forms and empowers our talented people to collaborate and thrive.



Collaborating with Partners

Engage and work with organisations across the UK whose missions and programmes have the potential to support businesses seeking to grow through innovation.



Environmental Sustainability

Build a more robust sustainability culture in Innovate UK, defining our vision and strategy and capturing the environmental sustainability impact of our process and what we fund.



Impact Management

Our new Impact Management Framework will enable effective monitoring of the impacts of our activities and inform decision making, prioritisation and strategy development.



Evaluation and Evidence

Develop logic models and SMART objectives across our programmes and carry out independent evaluation to ensure delivery of what we set out to achieve. This will provide learnings to help Innovate UK to continue to evolve.



Horizon Scanning

Build upon and expand our existing horizon scanning and foresighting capabilities, identifying both risks and opportunity and embed a forward view into our strategic planning processes.

Our budget

Budget category*	2022–23 (£m)	2023–24 (£m)	2024–25 (£m)
Core R&I Budgets**	669.49	798.70	970.00
Existing cross-UKRI Strategic Programmes	458.91	258.74	97.18
Fund for International Collaboration	7.42	1.52	0.00
Strategic Priorities Fund	8.48	5.22	1.18
Industrial Strategy Challenge Fund	443.00	252.00	96.00
Infrastructure***	0.17	0.08	0.00
Digital Research Infrastructure Programme – phase 1b pilot projects (2022–23 – 2023–24)	0.17	0.08	0.00
Existing time-limited commitments: Skills and training funding (Innovation)	6.51	1.30	0.00
DfT/OZEV programme	10.00	27.00	80.00
Grand Total	1145.08	1085.82	1147.18

Notes on the Innovate UK Budget

* The figures provided in this document are in line with the 2022–23 – 2024–25 budget allocations for UK Research and Innovation. These are broken down by UKRI budgeting and reporting categories, and excludes funding for a variety of programmes we work in partnership with other organisations on (references to which can be found in Objective 5.4), as well as funding for ODA, Financial Transactions, and BEIS Managed Programmes. Figures are indicative and may vary over the course of the three-year period due to budget adjustments made as a part of on-going financial management and planning processes to maximise the use of our total funding.

** The funding for talent and skills activities outlined in this delivery plan are accounted for in core R&I budgets.

*** Note that further infrastructure allocations may be made during the Spending Review period from the Infrastructure Fund, Digital Research Infrastructure Programme and Carbon Zero Fund Programme.



Innovate
UK

Innovate UK
Polaris House
North Star Avenue
Swindon SN2 1FL

01793 361000

support@innovateuk.ukri.org

ukri.org/innovate-uk

