

Universities at the heart of the Industrial Strategy

Russell Group universities are ready and well placed to support the Government in delivering an ambitious and successful industrial strategy – both in their own right and as high-value assets for the UK underpinning every other sector.

The message from the Prime Minister is clear, and welcome: a modern industrial strategy must build on Britain's strategic strengths, including the UK's world-leading science base.

Russell Group universities conduct research at the forefront of new technologies, create the talent pool of graduates and postgraduates that feed into leading-edge sectors and have the collaborative partnerships with business which are vital to innovation and growth.

Our universities are located across the whole of the UK and welcome the chance to act as strategic assets around which advances in research and future business growth can be catalysed to create jobs, improve productivity and enhance prosperity.

The ability of our universities to maximise their role in delivering cutting-edge research and innovation, boosting jobs, growth and productivity is dependent on a strong base of talent and expertise from all over the world – including academics, analysts, technicians and students. As well as a light-touch, fair and transparent immigration system, ease of multilateral international research collaboration is vital, and securing a positive outcome for universities and science in the EU negotiations will be essential to this.

Our universities can and will play a key role in delivering across all ten pillars of the strategy and can build on their existing strengths to ensure the strategy can achieve its long-term aims.

Pillar 1: Investing in science, research and innovation

The commitment of £4.7 billion additional R&D investment to 2020-21 is very welcome. The extraordinary value of fundamental basic research for the long-term innovation pipeline should be recognised by ensuring 'QR' funding increases to complement the challenge-focused approach of the Industrial Strategy Challenge Fund. QR allows universities to invest strategically in new ideas, talent and facilities that underpin ground-breaking developments such as the applied centre for superconductivity at Oxford.

We recognise the Government's ambition to boost UK performance in taking ideas from lab to market; this could be improved by enhancing HEIF and ensuring it is consistently available across the UK, reforming the tax environment for research, developing a wide-ranging proof of concept fund and maintaining a flexible approach to intellectual property. RPIF has also been successful in helping universities leverage external investment, supporting projects such as the Materials Innovation Factory at the University of Liverpool, a £65 million partnership between the University, Unilever and HEFCE.

Pillar 2: Developing skills

Universities are central to delivering a range of skills, qualifications and training for the economy and society. Our universities train over 80% of the UK's doctors and dentists and around half of mathematics and physical sciences graduates, helping to ensure the UK has the talent pool to meet the needs of employers. Indeed, Russell Group universities work closely with a wide range of employers to ensure courses are targeted to business needs, such as Queen Mary University of London's partnership with organisations including the BBC, John Lewis and GSK to provide new degree apprenticeships.

Pillar 3: Upgrading infrastructure

As core regional stakeholders, universities are well placed to help identify where investment in infrastructure could have most impact. University research is also highly relevant to this area: the

University of Sheffield, for example, is leading research into how Britain's ageing water infrastructure can deliver sustainable supplies across the country.

Pillar 4: Supporting businesses to start and grow

A clear aim of the new industrial strategy is to help businesses expand and grow. Universities are ready to play a strong role here and can build on their experience working with businesses, such as the long-standing partnerships between University College London and Cisco, University of Nottingham and GSK and Durham University and Procter & Gamble. Our universities also work with over 20,000 SMEs a year, providing them with the tools to realise real productivity gains, the research and commercialisation expertise to deliver new products and services, and skills training to upskill the current workforce.

Pillar 5: Improving procurement

Russell Group universities are already helping find innovative solutions to secure value for money from Government purchasing. For example, new software developed by the University of Leeds delivered at least £230 million worth of cost savings to public transport systems in the UK between 2008 and mid-2013. Universities would welcome the chance to work more closely and consistently with Government departments/agencies to utilise the value of the UK's excellent research base and expertise in this area.

Pillar 6: Encouraging trade and inward investment

Higher education is a successful export industry; with the right conditions our universities have the potential to grow this market further. International students generate over £25 billion for the UK economy and support more than 206,600 jobs across the country. Income from international students is also crucial to support the full costs of teaching, research and innovation. In addition, universities are critical in helping to attract inward direct investment, in particular related to R&D. For example, universities in Scotland, including Edinburgh and Glasgow, are cited as a determining factor in almost half of all foreign direct investment projects that come into the country. Universities' widespread alumni base and network of links across the globe create a great 'soft power' asset for the UK, essential for facilitating future investment.

Pillar 7: Delivering affordable energy and clean growth

Our universities are at the cutting-edge of energy and clean-tech research, working closely with industry partners. They can help Government maximise impact in this area by utilising established partnerships and centres of excellence, such as the University of Bristol with its National Composites Centre.

Pillar 8: Cultivating world-leading sectors

UK universities play a key role in supporting different sectors through delivering pioneering R&D, developing innovative new products and services to keep British businesses at the forefront of global competition, and providing skilled graduates to meet labour market needs. Higher education should also be recognised as a leading sector in its own right, particularly given the international strength of our world-class universities and the wider impact of the sector on the economy, inward investment and exports.

Pillar 9: Driving growth across the whole country

Russell Group universities are active members of their local communities and anchors for growth in their regions, working with the Devolved Governments, LEPs, City Regions and local authorities to help develop local and regional innovation capacity. As major local employers, a source of local institutional leadership and as institutions which straddle the skills, research and innovation agendas, universities are a natural focal point for City Deals and regional plans for growth. The University of Edinburgh's Science and Innovation Audit focusing on data-driven innovation, for example, is at the heart of a new City Deal.

Pillar 10: Creating the right institutions to bring together sectors and places

Universities act as magnets for the creation of knowledge-intensive industry clusters, attracting research partners and inward investment. They also have extensive networks and partnerships with a range of actors, including local government, businesses across different sectors, charities and other parts of the education system. Our universities act as portals to the rest of the world, facilitating local-international linkages, bringing in ideas, talent, money and providing the basis for trade and other links.