

## How Russell Group universities can support levelling up

*The 24 Russell Group universities are spread across every region and nation of the UK, delivering world class education and skills, ground-breaking research, working with businesses, boosting local economies and acting as the gateway to people and ideas from around the world. This unique combination makes them a crucial component in unlocking Britain's potential.*

*Research-intensive universities already inject nearly £87 billion into the national economy every year through their research, teaching, exports, local buying power and other activities – and they support over 260,000 jobs across the towns and cities of the UK – the vast majority outside London.*

*As regional hubs with a global reach, our members are uniquely placed to fulfil the Government's ambitions to level up. With investment in place-based economic growth, in fundamental research and innovation, and in the talent pipeline for future high-level skills, our universities can help to deliver a rapid recovery from the pandemic which brings opportunity to every single part of the UK.*

### Driving regional growth through local leadership, research and innovation

Russell Group universities have extensive cross-sectoral links, including with businesses big and small, public sector partners such as the NHS, and with charities and other partners throughout the whole education, research and innovation ecosystems in the UK. Our 24 universities – plus a few other research intensives – are often the largest employers in their cities, creating jobs right across their regions. They have also helped to drive major City Deals (such as in Edinburgh, with its focus on data driven innovation), regional health partnerships (e.g. in Manchester) and major business investments in their communities (e.g. Unilever with Liverpool, Jaguar Land Rover with Warwick and Rolls Royce with the Universities of Nottingham and Birmingham). Our universities are not only ready to help co-ordinate levelling up activities in the regions, but they have the relevant links, experience and ambition to deliver successful outcomes.

Russell Group universities are vital to the economies of each of the devolved nations and help to generate cross-border flows of people and ideas essential in tackling today's major challenges. A regional levelling-up agenda must fully encompass the devolved nations, as well as England, to create a new UK-wide approach that boosts our global competitive advantage.

Spreading innovation into the economy is crucial for productivity growth. UK universities have a proven track record of not just generating world-leading innovation and applied research, but crucially of collaborating with others to deliver real benefits for local communities. Our universities have led the creation of new innovation ecosystems, such as the Helix in Newcastle and the Nexus in Leeds. These long-term collaborations between universities, local government and business have led to vibrant new communities centred around R&D-intensive business, accompanied by new infrastructure, homes and high-value jobs – creating significant new “pull factors” into communities and the surrounding towns.

University of Birmingham • University of Bristol • University of Cambridge • Cardiff University • Durham University  
University of Edinburgh • University of Exeter • University of Glasgow • Imperial College London • King's College London  
University of Leeds • University of Liverpool • London School of Economics and Political Science  
University of Manchester • Newcastle University • University of Nottingham • University of Oxford  
Queen Mary University of London • Queen's University Belfast • University of Sheffield • University of Southampton  
University College London • University of Warwick • University of York

Universities are also financing and creating new spin-out companies, that are more likely to survive, scale-up and have impact. Nine out of 10 university spin-outs which received private investment between 2011 and 2015 survived into 2018, compared to less than one in two new enterprises surviving over a five-year period in the wider start-up environment.

### **Key recommendations for the Levelling Up review:**

When it comes to R&D and innovation, levelling up strategies should focus on how we can extend the impact of R&D into communities which have not traditionally benefited from the spill over effects of research, and not simply lower publicly-funded R&D intensity in one region to boost it in another.

Excellent R&D and innovation being carried out in London and the South East has the potential to drive productivity increases in regions such as the Northeast and Midlands, delivering long-term growth and wage increases. It is right we look at how we can increase investment substantially in areas where R&D intensity is below average, but this should be accompanied by continued support for place-based schemes which receive support on the basis of excellence. This will ensure levelling up communities across the UK will not come at the expense of levelling down high-performing regions that are key hubs for life sciences and other sectors where we are a global leader.

To help universities maximise their potential in generating economic growth and productivity in towns and cities across the country the Government could:

- Channel a portion of Government's planned additional R&D investment (as part of the commitment to spend £22bn by 2024/25) into **a major scale-up of schemes with a proven track record of fostering university-business partnerships to create jobs and boost local economies**. Five highly effective investments the Government has made, and that have delivered time and time again, are: the Higher Education Innovation Fund (HEIF), the UK Research Partnerships Investment Fund (UK RPIF), the Strength in Places Fund, Knowledge Transfer Partnerships and the Connecting Capability Fund. Boosting investment in these initiatives would have an immediate positive effect. Governments in the devolved nations should launch similar schemes where they are not already established so all parts of the UK can benefit.
- **Promote and simplify the excellent R&D tax credit scheme**, which helps small and medium sized businesses, by introducing automatic eligibility for collaborative research activities with universities. This would encourage SMEs to collaborate with universities on innovative R&D and universities could help local businesses find the best partner for them through their own networks if they can't help locally.
- With Global Britain embracing the opportunity of free trade deals, [our universities can be a bridge between the international and the local](#) drawing in talent and investment to every region of the country. By establishing science and innovation agreements as part of, or alongside **trade deals, with incentives to attract international businesses to work with excellent UK research partners**, the Government could unlock much-needed overseas private R&D investment flowing through to regional hubs.

### **Unlocking opportunity for all**

Building a workforce that can drive the economic recovery will require big increases in the number of people with high-level skills, which is why we should be ambitious for both further and higher education. A high-quality university education delivers for the individual *and* for Britain: **a single cohort of UK-domiciled students at Russell Group universities is estimated to contribute**

**more than £20bn to the economy over the course of their working lives**, including a total of £11bn in tax and NI contributions.<sup>1</sup>

Our universities are driving the growth of skills in their regions: over half of all graduates remain in the region in which they studied five years after graduation, with 70% of Russell Group graduates working in areas outside of London five years after their studies.<sup>2</sup> Across all forms of work, Russell Group graduates are significantly more likely to occupy high-skilled roles than graduates from other UK universities.<sup>3</sup> By bringing their skills to these regions post-graduation, highly-skilled university graduates are contributing to the prosperity of all parts of the UK over the long-term.

As well as improving access to high-value degrees, Russell Group universities are also driving up UK technical skills by delivering high-quality apprenticeships across a range of disciplines and collaborating with local employers and FE colleges – earlier this year the University of Birmingham took a leadership role in the National College for Advanced Transport and Infrastructure to work across campuses in Birmingham and Doncaster. The majority of our members deliver degree apprenticeships; for example, the University of Nottingham has launched the country's first [masters-level veterinary degree apprenticeship](#), and as major employers all have apprenticeship routes in their local areas.

Key to unlocking opportunity is ensuring everyone in the UK has access to a quality education where they can make the most of their talent, determination and potential. The number of disadvantaged and under-represented students progressing to university, including the most selective institutions, has steadily increased over a period of years. The most under-represented students are 77% more likely to enter university now than they were ten years ago, and 29% more likely to enter Russell Group universities than they were five years ago.<sup>4</sup> Our universities are working hard with the Office for Students and devolved administrations to build on this progress. Part of this work involves partnering with local schools to address skills gaps by improving attainment and supporting aspiration from early years onwards.

### **Key recommendations for the Levelling Up review:**

- To ensure opportunity is spread evenly across every single part of the UK, universities and Government need to work together with other partners (including schools, employers and local agencies) to dismantle the obstacles faced by students from disadvantaged and under-represented groups in accessing higher education. In our report *Pathways for Potential*, we set out bold plans to address this including **a new 10-year national strategy to tackle inequality throughout the education system**, beginning right from the early years to improve social mobility.
- Our recommendations included establishing a new Office for Tackling Inequality to ensure all government policy supports this aim of this strategy, championing a joined-up approach between universities, schools, local authorities, charities, employers and relevant public services.

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<sup>1</sup> Economic impact of Russell Group universities (2017)

<sup>2</sup> Graduate Outcomes (LEO) data, Department for Education, June 2020 relating to tax year 17/18

<sup>3</sup> 15 months after graduation, 82% of UK-domiciled Russell Group graduates are either in full-time employment or have progressed into further study (61% and 21% respectively). Of those in full-time paid employment, 88% were in skilled roles (compared to the sector average of 77%) and almost half (47%) were already earning over the student loan repayment threshold.

<sup>4</sup> UCAS, End of cycle report (2020); OfS access and participation dataset entry number for POLAR Quintile 1 students over the five years to 2018/19

## Levelling-up stories: Russell Group universities working to deliver opportunity and economic growth in all corners of the UK

- The universities of **Birmingham and Warwick** have [set out plans](#) to make the West Midlands the UK's "speed to scale region". Supported by public sector partners and high-value manufacturing businesses, the £460m proposal will establish manufacturing hubs in sectors where the West Midlands has market-leading capabilities, driving innovation and making supply chains flexible, responsive and reconfigurable. Economic analysis suggests the plan would deliver a GVA impact of £2.4 billion and support 22,000 jobs in low-carbon heating, new medical technologies, low-emission urban mobility and secure connectivity.
- The [BioYorkshire partnership](#), comprising the **University of York**, FERA Science and Askham Bryan College, aims to unleash the power of world-leading translational research in plant science, biorenewables, agri-tech, bio-industrial technology, and the circular economy to drive inclusive economic growth. The partnership has worked with the York and North Yorkshire LEP and local authorities across North Yorkshire to develop an innovation-led Devolution Deal to help realise the ambition to become the UK's first carbon-negative region.
- **Newcastle University's** [Helix](#) is a joint endeavour between Newcastle City Council, Legal & General and Newcastle University, and has redeveloped a 24 acre, former industrial site in the centre of Newcastle upon Tyne into a new campus that brings together businesses, spin-outs, researchers and other regional actors. The £350m scheme is aimed at boosting collaboration and innovation in the North-East, with a particular focus on developing research, business and impact in data, life sciences, ageing and urban sciences. So far, the Helix hosts 60 different organisations, including four National Innovation Centres and Observatories, comprising over 1,800 professionals. The Helix is also home to a District Energy Centre, utilizing emerging technologies to provide energy to businesses in a more sustainable way – the scheme is projected to save 30,000 tonnes of carbon emissions over 40 years.
- The **University of Oxford** has partnered with the University of Bath to set up the [Innovation Centre for Applied Sustainable Technologies](#) (iCAST) in the South West bringing together industry and academia to fast track the UK's transition to a net zero economy. iCAST provides support to spin-outs, high growth SMEs and multinational corporates with sustainable and circular chemical process-based innovation. The £17m partnership is funded through the Research England Development Fund and is supported by the West of England Combined Authority, the Western Gateway Powerhouse, SETSquared and over 50 companies.
- The [Institute of Electronics, Communications, and Information Technology](#) (ECIT) at **Queen's University Belfast** has developed a unique model of business engagement which involves creating spin-out companies, assisting external (spin-in) companies, working with InvestNI and UKTI to promote Foreign Direct Investment and working with companies nationally and internationally to promote technology transfer of research. ECIT's in-house commercial and business development team has supported the creation of nearly 100 technology start-ups, with 2,700 new jobs in the regional economy. An additional 1,800 roles have been created via a cutting-edge cybersecurity cluster, with businesses working in fields such as visual speech recognition, intrusion detection and secure platforms for automatic and intelligent image and video processing.

- The universities of **Bristol, Exeter and Southampton** have partnered with the universities of Bath and Surrey to create [SETsquared](#), the world's leading university business incubator, which turns university research and innovation into thriving businesses. Since 2002, more than 4,000 entrepreneurs have received wraparound support, helping them raise £1.8bn investment. Independent analysis shows companies supported by SETsquared delivered £8.6bn of economic impact and created 20,000 jobs across the UK. By 2030, the economic impact of SETsquared businesses is forecast to grow to £26.9bn.
- The **University of Manchester** has [developed a long-term programme](#) to recruit and place academic and professional staff and alumni from the university as school governors. The scheme has trained over 1,000 people. Of the schools where staff are governors, 92% (142 schools) were rated good or outstanding in 2019. The links created with senior leaders in schools also support the promotion of widening access activities and events, leading to an improvement in attendance and take up of widening participation programmes.
- The **University of Exeter** and **King's College London** have established maths schools, which act as hubs by engaging with schools throughout their regions to support maths education more widely through outreach and professional development work with teachers. This includes offering pupils the opportunity to be mentored by maths university students and enabling teachers to undertake further training and mentoring with some of the world's leading mathematicians and other academics. **Imperial College London** also plans to open a maths school in 2023 in collaboration with Woodhouse College and **Durham University** has partnered with Durham Sixth Form Centre with plans to open a maths school in 2022.

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