

OXFORDSHIRE'S INNOVATION ENGINE 2023

A scientific super-cluster,
looking back, looking forward

Executive Summary



The first Oxfordshire Innovation Engine report, *Realising the Growth Potential*, was published in the autumn of 2013. It was followed two and a half years later by an 'Update Report' that assessed progress against the actions and recommendations proposed in 2013. Ten years on, Advanced Oxford, working with the International Center for the Study of Research at Elsevier, has produced *Oxfordshire's Innovation Engine 2023*, which reassesses the region's science and technology ecosystem, looking forward, but also looking back over the last decade. Has the growth potential been realised – have challenges been addressed and the opportunities pursued?

If the commissioners and authors of the 2013 report had been able to travel forward a decade and assess Oxfordshire's innovation ecosystem as it is now, it is likely that they would have been pleased with what they found. There has been positive progress across all the success measures set out in 2013. They may also have concluded that the challenges and opportunities presented within the report had been considered, and mostly acted upon. Despite some unforeseen and significant events in the last ten years, the Oxfordshire science and technology-related ecosystem has strengthened and is a significant contributor to the UK and to the Government's ambitions for the country as a scientific superpower.

While a number of the recommendations from the original report are no longer relevant, the majority continue to speak to issues that still concern the region's innovation community. They remind us that the region must continue to work together, ensuring that Oxfordshire remains an engine for innovation, but there are also long-term challenges that must be addressed with ambition, with all the actors working in the interests of this region and what it can achieve.

There are many challenges associated with collecting reliable economic performance data at the regional level, but Oxfordshire appears to have a thriving and diverse innovation ecosystem. The region's knowledge economy has grown considerably in the last decade, both the stock of companies and employment. However, high and medium-tech manufacturing has declined, although this may reflect a maturing of the ecosystem, where manufacturing activities move out of the region as companies scale. Equally, the maturing ecosystem is categorised by growth that has a more international outlook. Companies that started in Oxfordshire are trading and expanding internationally – they are inward investors into new territories, reflecting the global markets in which they operate. This is a true measure of success – born in Oxfordshire, translating science and technology ideas into new products and services, resulting in commercial companies that operate in the region and the rest of the world. Collectively these companies provide a blueprint for the rest of the ecosystem.

The region has attracted inward investment, but the strategy needs to be better defined moving forward and whatever the approach, there is an opportunity for organisations and institutions to work together to attract new investors. The region

has a good record on starting and retaining science and technology-focused businesses, but they still tend to be male dominated, in both their formation and leadership. If there is still a long way to go on gender equality, it seems likely that other diversity characteristics also need attention and action.

There have been many positive developments within the local business environment in the last decade. There is a growing stock of innovation space with many new developments in the pipeline which will add much needed capacity into the system in the next five years. Housing and transport continue to be key challenges and need to be addressed. Other infrastructure needs investment too, particularly data connectivity and supply of power.

A healthy innovation ecosystem is dependent upon the supply of risk capital to support our most innovative businesses. There have been developments in the last decade, at a local level, but also in government policy. As the ecosystem matures, the financing environment needs to change too and there is an opportunity to diversify and swell the number of investors operating in the region.

The 2013 report identified 'ambiguous attitudes towards growth' across the region. Oxfordshire is still lacking strong, economically focused leaders, representatives, advocates, and cheer leaders. The innovation community must continue to engage and bring its voice and influence to decision making, planning and make the case for investment – locally and to national government. The benefits that the region's high-tech community can bring in addressing pressing societal, technological, environmental, health and sustainability challenges need to be recognised and celebrated. Oxfordshire is a place that can identify, develop, and provide solutions to the world, but there is a need to be proactive in telling Oxfordshire's innovation story – not everyone knows how rich, varied, and successful this ecosystem is.

What next?

Advanced Oxford intends that this report acts as a stimulus to Oxfordshire's innovation community, to come together, to drive the next decade of prosperity, to build a forward-looking and resilient economy. New mechanisms and structures are

needed – Advanced Oxford will play its part – but a collective endeavour is needed if Oxfordshire's innovation ecosystem is to flourish, strengthen and play a pivotal role in making the UK a beacon for science, technology, and innovation. To this end, the following recommendations are being made:

RECOMMENDATION 1 Strengthen leadership across the region in relation to innovation.

RECOMMENDATION 2 The City Council and the County Council need to work together to develop a much needed, future-looking transport system, which is Oxfordshire-wide, not just focused on the City of Oxford.

RECOMMENDATION 3 Grow and diversify the number of risk capital investors operating within the region.

RECOMMENDATION 4 Develop a new, clear, strategy, with collective buy-in, for inward investment into the region. Different players within the ecosystem need to work together to ensure that Oxfordshire is open, coherent and can respond to potential investors.

RECOMMENDATION 5 Join up nodes of innovation across the region and help internal and external stakeholders to navigate the landscape through better defined pathways and connectors.

RECOMMENDATION 6 Develop a suite of communications tools and assets, tailored to the needs of different audiences, which can be used by all players, to tell Oxfordshire's innovation story.

Advanced Oxford invites individuals and organisations to come together, to work with us and with colleagues from across the region, and beyond, to respond to these recommendations for action.

This report is published alongside a new 'innovation dashboard' for the Oxfordshire region. By drawing together a set of indicators that attempt to characterise the ecosystem, Advanced Oxford intends to give stakeholders a timely and relevant picture of the knowledge economy across the region. It is intended that this dashboard will be enhanced and developed as new data inputs become available. **The dashboard can be found on Advanced Oxford's website (www.advancedoxford.com).**

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