

Science, Innovation and Technology Committee

Oral evidence: Pre-appointment hearing: Innovate UK chair, HC 834

Tuesday 8 April 2025

Ordered by the House of Commons to be published on 8 April 2025.

[Watch the meeting](#)

Members present: Chi Onwurah (Chair); George Freeman; Dr Allison Gardner; Kit Malthouse; Jon Pearce; Steve Race; Adam Thompson.

Questions 1-37

Witness

[I](#): Tom Adeyoola, tech entrepreneur and founder, Metail

Examination of witness

Witness: Tom Adeyoola.

Q1 Chair: Good morning and welcome to the Select Committee for Science, Innovation and Technology pre-appointment hearing for Innovate UK's preferred candidate. I welcome Tom Adeyoola to this morning's session. I will begin with a really open question, Tom. Why did you apply for this role? What would you bring to it?

Tom Adeyoola: I have spent pretty much all of my career working in start-ups in innovation. It has been the key driving force for me. I am completely driven by understanding systems and how to improve them. I worked for five start-ups across sport, telco, film and gaming, before eventually starting my own in the fashion technology space, which revolved around cutting-edge computer vision and machine learning technology, and which I founded at Cambridge University.

I exited the business in 2019 and then embarked on, if you like, a portfolio career of trying to improve what I saw as the friction points in the current innovation ecosystem, along with investing in some start-ups, mentoring, advising and so forth. That led me to push on pension reform, which brought me to working on the start-up review for Rachel Reeves and was potentially a catalyst for the Mansion House Compact work, with reference to how potentially to speed up the flow and volume of IP out of universities, based on my experience of working with Cambridge University.

Looking at my next move a year ago, I was asked whether I would consider applying for this role. Given that I had spent most of my career in innovation and given my understanding and desire to improve systems, the role of exec chair of Innovate UK felt like the biggest possible lever in the innovation ecosystem that I could potentially have the honour of working on. I spent a little bit of time trying to understand. I have worked outside the system, trying to impact on it and improve it. Certainly at my panel interview, Ottoline said that working within a system is where you can have the most impact. That is, essentially, why I am here today. I hope that I can have a positive impact to ensure that, once I have ended my stewardship of Innovate UK, the innovation ecosystem is a better one than when I left it in 2019, when I sold my business.

Q2 Chair: Thank you very much, Tom. You and I have met and worked together before. I read your CV for this session and it is very impressive. I also read some of the interviews with you. It is clear that your work has spanned a huge variety of different start-ups. You have gone from start-up to start-up, and you have built large organisations with Metail. The cultures of the innovation ecosystem and UKRI, as a public and largely academic body, are very different. What challenges do you foresee in going from your very successful start-up and entrepreneurial career to leading a very large public sector organisation?



Tom Adeyoola: I am someone with a bias for action, making things happen. That is the beauty of working in start-ups, where you have a million and one challenges and it is basically your ability to knock them over as quickly as you can that will determine your potential for success.

Admittedly, in a big Government organisation there is the potential that it might not move at the pace that I would like it to, shall we say, but the thing I have learned over the last five years, around my portfolio and not running a business directly, is the ability to influence and move and make things happen where I did not own all the resources. The power of influence around the board table, and the ability to find and build consensus among people to generate action is key and important.

In terms of how I like to think about things, I enjoy people, I enjoy culture and I enjoy having an impact on a system to improve efficacy. The role of a CEO—the role of a leader—is about setting out clarity of strategy and vision, and then it is one of service in removing the obstacles for people within the organisation to perform.

From my perspective, looking at Innovate UK, I see that as a key part of my duty: how can I simplify and clarify purpose and strategy? Every time I have met an individual from Innovate UK, they are hugely passionate and driven people. I would not say they are any less passionate and driven about improving the ecosystem than me. Hence, it is about what structures are in place to enable them to deliver. I am here to ensure that Innovate UK can deliver for the UK nation and the UK people, driving long-term productivity for the economy and, ultimately, the goal of economic growth in the long run.

Q3 Chair: Thank you. We are all well aware of the importance of the Government's mission for growth and the way in which the Government have embraced innovation as a driver of growth. The role of Innovate UK is critical to that; we will examine that a bit more later on.

For the moment, let us focus on you and your fantastic tech background. We certainly need more of that kind of experience in the public sector. Innovate UK needs to be able to attract others with a tech background. I note that the salary for your role is £215,000 plus bonus. The salary of an entry-level Google AI engineer is £150,000, and it is £270,000 for a senior AI engineer. How do you intend to attract others with a great tech background into the public sector? What are some of the challenges around that?

Tom Adeyoola: A key thing for me is a sense of public service and doing a tour of duty. I have always felt that was something I wanted to do at some point in my career. It has been quite encouraging to see several other entrepreneurs of my generation doing the same. Ian Hogarth was my generation—he ran Songkick while I was running Metail. Similarly with Matt Clifford. The sense of wanting to do a tour of duty and make impact is there among many of my era.



The key thing then is creating the environment that will enable people to feel that they can flourish and have impact when they come into an organisation, and allowing for the ability for people to come in for two years or three years, time-limited, in and out the other side. I back myself regarding my ability to encourage people to come and work for me for much reduced salaries. When I was a start-up founder at Metail, I was playing that exact game versus Google. I co-funded PhD students at Cambridge University. They started working on my problem field and that meant they ended up coming to work for me, instead of going for three times more cash to work for a Google or an Apple and so on. I ended up with 13 PhDs on that team, who could all have earned three times more somewhere else.

That sense of being very clear on purpose, very clear on the ability for people to have impact, and very clear about the timeframe when you are trying to bring someone in to have that impact, should be the type of thing that can encourage talent to come into public service and do their tour of duty before potentially going back out into the private sector.

Chair: Thank you. As part of our digital centre of government inquiry, the Committee heard about the role that a tour-of-duty approach could play in bringing private sector tech talent into the public sector, to enable digital transformation and, in the case of Innovate UK, drive innovation. One of our Committee members, George Freeman, has significant experience with Innovate UK as the previous Science Minister.

Q4 George Freeman: Tom, nice to see you, and congratulations. Later in the session we will talk a bit about Innovate as a system and your perspective on how it needs to change. I am interested in the interview process and the bonus. How much have you been able to shape a mission for change? When I was a Minister, I was trying to establish a process whereby key appointments like this would have a chance to set three or four things that they really need to do. Have you had that conversation with Ministers and with Ian?

Tom Adeyoola: My query, from the beginning and all the way through, was, "But I'm a start-up guy. Is that really what you want? Do you just like the idea of a start-up guy? Or will there really be a mandate for change?" Hence, a key important part for me, during the process, was: who is the Minister? Who will be the new UKRI CEO? Were our views aligned? If our views were not going to be aligned, there was no way it would work. I feel pretty confident that Ian, from the brief conversation I have had with him, is very much the pragmatic, forward-thinking person that I am in terms of looking to move the organisation from being very much input focused to outcome focused.

Q5 George Freeman: Knowing Ian and Patrick well, I completely agree. It is a big moment when you sign, and this is the pre-appointment hearing. Are you comfortable that you have agreed with Patrick and Ian the changes that you believe the system needs to see, and that they agree, so that the three of you are on the same ticket? My experience of coming



HOUSE OF COMMONS

in from business to politics is that getting alignment is the key; do you have that alignment? Or is today part of that for you?

Tom Adeyoola: I believe I have that alignment, but obviously this is now the world of politics, which is slightly different from what I am used to, and things can change, as they have changed dramatically over the last four or five years. I will have to feel comfortable. I do feel comfortable in myself that, given the parameters I have been set and given the world as it is today, I believe I have that mandate.

George Freeman: The point I was making is that the appointments process used to be very slow, and probably still is.

Tom Adeyoola: Yes.

George Freeman: As Minister, my feeling was that, at the beginning, all we needed to do was agree what the organisation needs—three, four or five things. Is it in stable mode? Is it in reform mode? Agree that, write it down and then make sure the leader we appoint shares that view. My advice to you would be to get it in writing.

Chair: Thank you very much, George.

Q6 **Adam Thompson:** Good morning, Tom. Thank you for joining us. I understand that you have already said you would not seek re-appointment at the end of the term you are potentially signing up for. Why is that?

Tom Adeyoola: Exactly as I said earlier: for me, this is a tour of duty. It is about being able to go at the problem without any sense of fear or favour. Exactly to George's point: do I have a mandate whereby I can basically attack and deal with that? I do not want to be in a position where, come the last two years, the focus is all about re-appointment and doing all the things that are required to get re-appointed.

I want to be here to move the organisation from one point to another point. With every engagement I take on outside Innovate UK, and that I have done in the past, it has always been about what you want to do as an organisation. Is there clarity of going from an A to a B? If so, I want to be part of that. Once the B is achieved, I move on to something else. Each of these things is about a system that needs a movement in it to improve it. If I can do that, that is the end of that strategic engagement.

Q7 **Adam Thompson:** You talked about moving from A to B; it is clear that you are setting goals for this four-year term. How will you make sure that you meet those goals and reach point B? What happens if you do not do that by the end of the term?

Tom Adeyoola: The key thing at the moment is that the organisation is extremely input obsessed and not outcome focused, so it is exactly the point about whether there are metrics in place to know what is and is not good. I am not sure they are there. The starting position is about how I can set those metrics to understand what impact Innovate UK is having.



What is the economic model by which you can evaluate future projects to set a sense of success criteria on project success? Are you moving the needle in terms of impact from where it is today to improvement? Are you increasing the speed and efficiency of how you deliver those things? Finally, what do stakeholders, both internal and external, think about the organisation? Has their view of the organisation improved?

Those are the five key areas that I want to baseline in the first year, to ensure that we are in a position to understand our impact on as close to a real-time basis as possible going forward. We should be looking at cohorts and understanding where things are successful or not. I fundamentally believe that the difference between good organisations and bad ones is not their ability to generate good ideas—all organisations have good ideas; the ability to kill bad ones is the difference, so that you can focus your time and energy on the good ones. To do that, you need to be able to monitor and evaluate as close to real time as possible.

Q8 Adam Thompson: That is really interesting. Let me move on to impartiality and independence, which are very important in this role. As we have heard, your CV is very impressive. You have quite a lot of different interests and broad areas you are involved in. Do you foresee any conflicts of interest, particularly in relation to some of your other roles? I understand that you have a position on the Channel 4 board. Are there any conflicts of interest that you might foresee as part of this?

Tom Adeyoola: I have stood down from most of my projects, leaving in play Channel 4 and my school governorship board. I think there is one that I am still exiting from. Another of my non-profits successfully merged with another organisation yesterday, so that has moved off.

Channel 4 has one project where it is in a consortium with a few other companies on AI, which has a bit of Innovate UK funding. That is the only thing that crosses over in this space. As a non-executive, I have not been involved in and would not be involved in any of that decision making. Likewise, I would recuse myself from any decision making that connected, in the same way as other board members currently do where there are decisions or crossovers that could potentially cause conflict.

Q9 Adam Thompson: The head of the Innovate UK board is broadly considered independent from Government. How important do you think that independence is, and how would you, in the role, ensure that that independence is maintained?

Tom Adeyoola: Going back to the point about having a clear mandate, in some respects we operate at the pleasure of the UK people and the UK Government, but we should have a clear mandate and the independence to operate within those parameters in doing the work and making it happen.

I am a fiercely independent individual. Once I am working with an organisation I am fiercely loyal to that organisation, and I have no



problems in speaking truth to power or having robust conversations about where I think the lines are and how an organisation should operate. From that point of view, having frank and clear means of engagement is something I would insist on throughout the process. I hope that would be the position in which I could work; otherwise, as everybody knows, if the organisation was pushed in a way that I felt brought either my position or the organisation into disrepute, there are means by which you walk away from that organisation if you cannot move it forward. But I would not expect that to happen.

- Q10 **Kit Malthouse:** I am sorry that I have to leave shortly. During the recruitment process did you seek or receive any reassurances from the Government about budget, given that money is tight, either directly for the organisation or for the wider science and innovation ecosystem?

Tom Adeyoola: The short answer is no, I did not.

Kit Malthouse: You have no expectation as to what the budget for Innovate UK will do over the next couple of years.

Tom Adeyoola: No. All I have seen is the commitment that was made this week, which is record levels of funding for innovation through UKRI. That commitment was made. Naturally, we have seen the reports of the review into ALBs, but at the same time I have seen and read about Peter Kyle's commitment to research and innovation being a key pillar of the growth agenda, so I would expect that to continue.

- Q11 **Chair:** You talked about record levels of funding for Innovate UK.

Tom Adeyoola: For UKRI.

George Freeman: That is a very interesting point that you have made twice. On the jungle drums, there is talk—rumour or gossip—that maybe Innovate might be abolished and folded into UKRI, so its function will be across the UKRI mothership, as it were, as opposed to being a free-standing organisation. I am wondering whether your reference to UKRI twice is a sign that you think that is in play. Do you want to take this opportunity to say that Innovate UK's role may change but it is here to stay?

Tom Adeyoola: I believe that Innovate UK's role is here to stay. I am taking the role because that is what I am here to do, and in particular to deliver. Nothing that has come my way has suggested otherwise. In my conversations with Patrick, he has very clearly suggested that, in terms of what I want to do in driving the organisation and the ability for Innovate to work in different ways to the rest of the organisation, that is fine and clear. The organisations need to work to deliver. The key thing for me is that we need to operate in a way that will deliver on our mandate and purpose.

- Q12 **Chair:** On that point, you referred to talking truth to power and loyalty, which are two great qualities. If the Secretary of State, Peter Kyle, came



HOUSE OF COMMONS

to you demanding a cut of 5% or 10% to Innovate UK, how would you react?

Tom Adeyoola: As Innovate UK, we are not immune to the constraints from an economic perspective that we currently see across the UK economy. My role is to make sure that I can deliver the best case that shows that money spent through Innovate UK delivers the biggest impact on the economy it can.

With reference to the point about an organisation that is input obsessed and focused purely on how it delivers money to the ecosystem but does not understand its impact, that organisation can be at risk of reducing its funds without having an argument for maintenance. I believe it is my responsibility to try to establish as quickly as possible the impact on the organisation and its ability to grow that impact to maintain or improve its share of budgets.

Chair: It sounds rather like you are going to treat Innovate UK as a bit of a start-up and the Government as a key investor in it, and you want to be able to show what your results will be, which I think is a good argument. Let us move on to talk more about the organisation itself.

Q13 **Steve Race:** That leads quite nicely into this question. You have said previously that it is quite difficult to understand what Innovate UK is for, or certainly how it is operating now, and there is some confusion. When I talk to some start-ups they might complain that originally it was meant to be quite fast moving, supporting cutting-edge science and getting in there quickly, but in reality they have discovered that it is quite slow moving. There is a long grant-making process—it takes nine to 12 months to get grants out of it. Where do you think the confusion lies in the organisation, and how would you go about changing it?

Tom Adeyoola: When I started Metail back in 2008, getting an Innovate UK grant was a real badge of honour. The DD process was tough, but off the back of that you had the sense that people viewed you differently and you were doing real innovation. As a consequence, it was a real help in accessing and gaining funding from other sources.

But the ecosystem and the number of companies back then was much smaller. The ecosystem has grown hugely in the last 10 to 15 years. There are way more companies, and technology has expanded in many different areas, so the complexity of what you are trying to judge and understand has grown pretty much exponentially. As a consequence, it is a much more complicated system.

The system is trying to do a lot more and deliver money to loads more different areas. As a consequence, the message, the purpose and the singular focus has got a bit blurry. So I would agree. It needs to move on from that purpose, which is to try to get money and distribute it as quickly as possible. Even when it is looking at the percentages of grant allocations that it does deliver, because the number of people applying



HOUSE OF COMMONS

for grants is growing, there is a growing disconnect in the number of people who apply for grants and then fail to get them. Even if the percentage is growing, the absolute number is also continuing to grow. There needs to be greater clarification of the purpose, what it is there for and the types of technologies it is delivering.

In the new Government's missions, with the sector focus on science and technology, and the five critical technologies, there is an opportunity to clarify the areas on which the organisation is going to focus and the types of innovation that it will deliver against, and to make sure that the messaging is clear at company level so that people know what process they are going through, the time it will take and what good looks like. At the moment, it is very difficult to understand what good looks like, and what will happen as you go through the process and the amount of time you need to give to your opportunity for a positive outcome. As a consequence, expectations have grown wildly, and there is a huge cohort of people who have a negative engagement with the organisation.

We need to flip to the other side. We need to be very company focused. We need to tell better stories of the success of the companies that have gone through, and what success looks like: "This is what you need to be doing; this is what you need to look like to generate success." We need to be very clear about the likelihood of failure through the process.

The application process is extremely complicated. It is very long and it skews towards being good at filling out the grant process rather than the type of business you are. If I could tilt that, it would be a good thing. You can get people who would not necessarily be able to generate good business, but who know how to write it and can get money, versus people who are going to create an effective business and are not getting the money. For me, currently that is biased in the wrong direction.

Q14 Steve Race: On regional growth and rebalancing the economy, you talked about the alignment with the Government's missions, which is all good, but you have quite a lot of experience in the golden triangle area, and quite a lot of innovation goes on across the country but not much money goes into supporting start-ups across the rest of the country. We have heard from Northern Gritstone previously, and we have looked at the south-west and the north-west; there is a lot going on there, but the money does not necessarily follow into the regions. What do you think the organisation's role is in supporting innovation outside the golden triangle?

Tom Adeyoola: I am a strong believer in clusters and trying to understand the interventions needed at each level to generate and get clusters going. Even when I started Metail back in 2008, the London cluster of tech start-ups was very small. There was a monthly coffee morning when 10 to 15 people might turn up to the café at the top of Waterstones in Piccadilly—that was how small it was then. But it is a flywheel: you need to get the flywheel going and then it starts to generate compounding benefits as you move on.



HOUSE OF COMMONS

I have spent the last 18 months visiting a lot of clusters around the country. I visited Science Creates in Bristol to understand the work that Harry Destecroix has done there in moving Bristol from 20th to fourth in the spin-out rankings in five years. Part of the uncomfortable truth is that to get the flywheel going there are one or two key individuals who start to move the needle. I have been to Liverpool to try to understand what ingredients are missing there to generate that. If you talk to start-ups there, they say that the missing ingredient in Liverpool is that there are not enough angels or angel groups to get that going.

I gave a keynote speech in Doncaster for Tech South Yorkshire just a couple of months ago. That is an emergent cluster. Five years ago, for an investor coming from London it was only 90 minutes by train, but you would not be able to guarantee you could see 10 businesses, whereas now they have done the work and you can see the growth. There is very strong clarity. You could go there as an investor and see 10 good businesses in a day and come back. The concept of front-dooring and linking and having connective tissue in the regions starts to make sense.

Similarly, I spoke at the launch of the Northern Creative Corridor. As a cluster, that is stretching it a little too much for me, because I think they are trying to say that that cluster goes from Liverpool to Newcastle. I am not sure that the transport connectivity is the same for that to work. You have to be sensible and understand the differences. I also talk to DCMS and they would say that there are 70 creative clusters; I do not think there are.

For me, it is about how you kick off the flywheels. How can you remove friction and make stuff happen? When I think about innovation and the ecosystem, it splits into three parts. There is the invention phase where you are trying to generate some form of new technology. Our universities are great places to do that. Hence, you might see clusters generate around universities. I took part in the work around Sister for Manchester, building up that innovation district.

Then you have the innovation phase. The innovation phase is essentially looking at a system or a product package. There is a new piece of technology, a new method or a new business model that can generate a better, faster and cheaper outcome. That is the innovation bit. The innovation is using the original invention phase—the invention of a new business model, technology or method—to generate something that is better, faster and cheaper.

After that comes the commercialisation phase. You can do the innovation bit and still not have a massive positive outcome because you are not doing the acceleration into the commercialisation bit. For me, the innovation part is about how we can take stuff and increase the surface area for innovators to emerge, so that there are more chances of success through to the commercialisation phase.



We need to be sure that we understand what is happening as businesses follow through around the country and what the different interventions are, and that we are able to provide information on the friction points that prevent things from going as fast in the west country as they do in London. The ingredients will be different. The way I like to think about it is the approach that, where you see success, you try to speed up the flow to make it go faster; where you do not see success, you try to understand what intervention will make it a success. It may be that there are just some key ingredients missing and, therefore, it needs a different type of intervention.

Q15 Chair: I am fascinated by your tour of England. Was that as part of a different role or part of your research for this role?

Tom Adeyoola: That was part of my own personal interest. In running my own business I spent a lot of time in London. I remember that during covid I started to go to pitch events virtually in Northern Ireland and Wales. I would not have gone to Belfast, but I can now through the power of Zoom. How can I get out and understand more about what is happening around the country, especially in a post-Brexit world? When I was living entrenched in London, it was about getting a sense of understanding what was going on, and how we can ensure that opportunities are distributed. They are great places. I have been to Manchester several times; I have been to Birmingham. I gave a talk in Birmingham and met the people from Midlands Mindforge. I have been to Gateshead a couple of times.

Chair: I am impressed that you know the difference between Newcastle and Gateshead.

George Freeman: We are all going to start bidding now. Come to Norwich.

Chair: Your message is very welcome to this Committee. Our inquiry into regional innovation and growth is very relevant to what you are talking about. We welcome your movement around the country.

Q16 George Freeman: Tom, you have said some very interesting things that I want to follow up on. I have three questions. The first is about where you see Innovate UK in the UK innovation ecosystem. You have been quite clear that we need a stronger focus on outcomes. You have said in the past that you think it is pretty difficult for someone to know how to navigate. Where do you see Innovate—where are you on the spectrum? There are those who say it should be in the business of backing winners, taking UK companies and helping them to accelerate to the global; others say it should be more about supporting innovation all around the country; and others say it should be embedded in the academic infrastructure at UKRI to help everyone to be aware of what innovation is. They are slightly different. As the former responsible Minister, I sense that over the years Innovate has tried to do all of the above. I am interested in that and the reforms that you want to put in place.



HOUSE OF COMMONS

Secondly, there is doctrine. It has long seemed to me that officials and leaders like you are stuck in a doctrine of market failure. Since the 1980s the Treasury has been saying that we only intervene where there is proof of market failure, and we tie ourselves in knots filling in forms to demonstrate market failure. Isn't that completely old hat? Should we not be backing winners and giving you permission to pick not companies that can demonstrate market failure but companies that can demonstrate success, and support them?

The third question is on place and clusters. Indro, your predecessor, did a lot of work trying to put place at the heart of Innovate. How do you see that work? Is it in the consolidation phase, or do you think it needs a different approach?

Tom Adeyoola: In my approach to Innovate UK, a similar model that I like is Sport England post Atlanta 1996, when we had one gold medal and 20 years later we were third in the medals table. There is a two-pronged element. On your point about market failure, I agree that it is about resolving market failure and understanding what that is, but being very clear and precise. For example, in the Sport England approach, the table tennis team will not have any money because it does not have a talented group of individuals at the moment. When the talented group of individuals appears you can move. The focus needs to be upstream, getting talented individuals out of schools to come through, and then we can start thinking about venues, facilities and so on.

At the other end, if we are thinking about economic growth, we have to understand our global context. Champions do matter and scale matters. Hence, when I am looking at place my point is that clusters matter because scale matters. Clusters matter because you need a whole bunch of companies to come together in an environment where you can get liquidity of talent, knowledge transfer and the ability for front-door access to capital and markets. Those things are really important. We need to improve the volume and speed of organisations that pass through our innovation ecosystem.

In terms of where Innovate UK sits, all of the UKRI research councils and ARIA spot research and inventions coming through. We should be very clearly there to catch them, expand the surface area, accelerate them and catalyse them through to the commercial scale part. We should be very clear then in understanding who those companies are, what their conditions are for success and how they need to be supported in the next phase. If there is anything we should be delivering and being a superpower on by having UKRI, it is the knowledge of those companies and how they are flowing through. That knowledge and speed is the bit that we can have over others. We should be able to know who they are and what they look like, and prime them for investment that takes them through to commercial success.

At the moment, my big bugbear is that we are not creating the commercial giants from our IP that we should be, and part of that is not



HOUSE OF COMMONS

within my control. The commercialisation bit is outside. I was an investor in Elvie, one of only—

- Q17 **George Freeman:** I get that point, but I want to go back to the bit you are responsible for, or will be responsible for. I get scale-up, the City and all that, but just on Innovate, you talked about speed. What are your one, two, three change metrics that internally you with your team are agreeing with Ministers? I would get it in writing: "These are the things we are going to change." Can I push you on that? You said speed; what are the other things that you really want to change, to be your legacy?

Tom Adeyoola: For speed, I want to be able to understand the impact that the organisation is delivering as it passes through. We are not tracking the organisations and their impact and how they deliver success beyond year one. We need to understand that it takes a while for innovation to deliver that success, and we should be tracking them for longer. That is the metric.

- Q18 **Chair:** Do they also include those that do not get funding from Innovate UK? Will you be tracking the performance of those who do not?

Tom Adeyoola: Yes. The key is that we need to understand and be very clear about what the conditions of success are and the conditions of failure. We need to be very clear about those.

- Q19 **George Freeman:** I've got speed and impact metrics. You talked about the paperwork. In my experience, it is horrific, but it is largely because of the doctrine of market failure. The Treasury puts conditions on money when it allocates it to DSIT; DSIT puts conditions on money when it allocates it to UKRI; and UKRI puts conditions on money when it allocates it to Innovate. There is the paperwork of a very slow approvals process, largely driven by the need to prove that you are using the money only for certain agreed criteria, which are basically market failure. Given your entrepreneurial scrum-half role, we want to take stuff out of the back of the scrum and spin it out wide and score a try for the UK. How will you change that?

Tom Adeyoola: That is my point. If we can get to a point where we can be clear that we understand the impact metrics, we should be able to get to a point where we are able to reduce the application part because we are able to understand the surface area of the sorts of companies coming through that we want and that can deliver the impact metrics.

George Freeman: I think I am hearing from that—which is very interesting—that a big metric for you would be: are we producing in the UK ecosystem enough companies that can scale up, subject to the City reforms and so on?

Tom Adeyoola: Yes.

- Q20 **George Freeman:** That leads to my third question. If you could achieve that metric best and quickest by focusing on the golden triangle, would



you say that that is not in itself sustainable enough and we have to nurture the clusters round the country as well? That is a tension in the system, is it not? I am keen to get your take on that.

Tom Adeyoola: I recognise the tension. Currently today, 67% of Innovate UK money is spent outside the greater south-east. It is about understanding the notion that there are compounding effects to growing clusters and the IP. We have great universities generating IP and technology in spaces that we think are in the interests of the long-term future of the country. We have to make those bets as well. There is the stuff that is later stage, but you also need to create your funnel, and that is going to be distributed around the country. There are going to be places that are doing amazing stuff, which we are going to have to keep an eye on and make sure that that is growing at the rate we want, with the flywheel that we want, so that it ends up being as successful and as big as the golden triangle successes. If we only focus on the stuff at the end and do not generate the pipeline, we end up with nothing.

George Freeman: Do I take from that that one of your metrics would be the growth of genuinely world-class clusters, whether it is Manchester materials or Glasgow satellites, so that they start to produce scalable businesses as well?

Tom Adeyoola: Yes. When I am looking at the clusters and when I am thinking about the impact metrics, it is about getting a sense of how quickly these clusters are growing in comparison to what we have seen before, and thinking about them on a cohort basis. If they are not growing as quickly, why aren't they growing and what is wrong with the conditions, and then what interventions can be put in place?

Q21 **Steve Race:** Following on from that, where does return on investment from UKRI feature in your thinking?

Tom Adeyoola: When I think about every pound of UK money that is spent on the economy, I do not think we should be thinking any differently from what top investors would be thinking about. We surely should be having a 10x impact. That should be our focus on the economy. How can we deliver that? Why aren't we delivering that if we are not? It has to be the case that we are driving outsized returns from the money that we put into the innovation UK system.

Steve Race: But that will be spread across an entire range.

Tom Adeyoola: Yes, exactly.

Steve Race: You have to have some risk.

Tom Adeyoola: Exactly. Innovate UK has a big sum of money. It is making a lot of bets, so you would expect, across the ecosystem, to be able to deliver accordingly.

Q22 **Steve Race:** What should the appetite for risk be within that?



Tom Adeyoola: The appetite for risk has been caution because it has been focused to the left on the distribution of money. At this moment in time, in this key moment where we are thinking about economic growth, where we are thinking about the missions and we are thinking about key sectors that we want to drive, we need to shift the dial a little bit. But shifting the risk dial is also related to return.

In terms of UK culture, the bit that I have been disappointed with in how we think about it and report is often that we always think about costs and we do not relate risk to return at all. If we are talking about pension funds, we talk about how much it costs for the pension fund; we are not thinking about the return that we are trying to deliver to pension savers. We have to understand that relationship, and we have to understand that if we want higher return, it comes with trying to understand and have clarity on the risk profile to deliver that.

Q23 **Chair:** On that last point, it is relatively easy to measure costs. Measuring returns, particularly non-evident returns such as spillover effects, can be challenging, which is one of the reasons why we tend to concentrate on costs. How confident are you that as part of your metrics you can get a meaningful measure of returns? How do you intend to go about that?

Tom Adeyoola: It is just something that we have to do. If we are putting money into businesses, we should be able to track those businesses. At a bottom-line level, we should be able to know over three years that those businesses generated this many more jobs and they started to generate this amount of return and this amount of extra money invested in those businesses.

It is about the sense of being able to track them. Just as my non-profit organisation Extend Ventures, which had pretty much no resources, was able to look at 10 years-worth of all venture-funded businesses, who was in those businesses, what they were delivering and what they were returning, and understand an ROI of return across those businesses, so we have to start delivering on those sorts of metrics, because those are the only metrics that you can look at if you want to try to understand the growth question. At the moment, we are not well set up to understand the growth question. You need to be able to understand the metrics of what is happening to businesses that engage with and interact with Innovate UK with reference to the impact on growth.

Q24 **Chair:** Thank you. It is good that we have that and that you are focused on that. To clarify, the spillover impact, the multiplier effect of clustering—having growing companies in Newcastle, or Gateshead—and those kinds of additionalities are not part of your targets in terms of looking to measure the impacts.

Tom Adeyoola: I hope that across wider UKRI we would have the ability to do the research to bring in those metrics.



- Q25 George Freeman:** That is very interesting. Can I ask about impact? As you look back at Innovate in the last few years, what is the best example, or examples, of something where Innovate made an intervention without which the company would not have succeeded and has gone on to be a real success story? A lot of people say Innovate just drips money into companies that are struggling, and a lot of successful companies never go near Innovate. Can you help to reassure people that it has done some really good things?

Tom Adeyoola: In terms of the companies that I know that had dramatic “Sliding Doors” moments, there was one for my company, Metail. It was also a “Sliding Doors” moment for Elvie with the initial Innovate UK grant that it got for femtech, without which it would not have existed. The drone business Flylogix would not have existed if it had not been for Innovate UK money. The sense of that kick-off part and the proof point and almost a signalling element—again, this is me from a decade ago—was valuable and it drove a cohort of companies going forward.

When I talk to other founders, they have very fond memories. Innovate UK is dear to their heart because they felt it was a key moment for them in their business. The difficult thing now—I think you are right—is that there is a sense that going through Innovate UK is just one of those rites of passage. Everybody applies for a grants and it has lost that sense of novelty and focus. What is the novelty in the innovation that we are trying to do?

- Q26 Dr Gardner:** I had three questions, but in the interests of time I will jump to my latter two, on the innovation ecosystem. You referred to yourself as “a start-up guy”, which made me think about SMEs. We know that they can find it very challenging. Competition-led investment applications can really put them off. How will you ensure that Innovate UK is accessible and inclusive for SMEs?

Tom Adeyoola: Inclusion and accessibility is a key part of what I have been working on for the last five years in different areas, with Extend Ventures and other things. A key element is awareness, and for the application process to be clear and not something that you need a grant-application company to do for you to get through, whereby there is essentially a tax layer on doing the work. If I can reduce that part of the ecosystem during the process, hopefully it will be a sign that there has been some success there.

With SMEs and with any business, you are spending 100% of your time keeping the business alive and keeping it going. There needs to be honesty around the process and the time that needs to be taken, and a sense of clarity that if you undertake this process and you deliver against these core items, you have as good a chance of success as anyone else. That needs to be clear. That work is in the funnel part of the process.



At each stage, we need to choose the best companies that hit the criteria—a 1% fail is still a fail—but we have to be good at ensuring that the funnel is open and that people who could qualify select themselves to undertake the process. During covid, when we were looking at covid loans, and I was doing some process on that, there were a huge number of companies that self-selected themselves out of the process because they were convinced that they would never succeed. When we did work for Innovate UK on who are the innovators, there is a huge skew of male to female; it is 78% versus 22%.

Q27 Dr Gardner: That links to my next question. I am really glad you mentioned that huge skew. About six times more male founders get investment than females, and we know that if we can redress that balance we can generate about £250 billion for the economy. You may be aware that last year the female founders award was meant to give out 50 awards, but only 25 were allocated. I am not 100% sure at the moment whether that has been redressed, but it was a clear sign of the culture that you commented on and the prioritisation. If there was a money saving, that is where it came from. I am a little bit concerned about that. Reading through your application, it does not spring out to me that there is a focus on trying to redress that imbalance. How will you support groups that are under-represented in innovation, such as female founders?

Tom Adeyoola: As I mentioned, in the project to understand the different intersectionalities in who gets money from Innovate UK and who does not, my organisation worked in conjunction with the Innovation Caucus to highlight ethnicity, gender and educational attainment. Our big push in highlighting the numbers is that once you have the numbers, and as you can only change what you can measure, you can understand the interventions that are required. I have been a judge on the Women in Innovation Awards—I was a judge for the 2020 cohort. The process of applying is exactly the same application process as applying for a grant. It felt like a process that was not fit for purpose to me, and an award process that was shoe-horned into an existing system. The two things were not balanced.

There are ways of doing that process and engaging with the funnel with a different type of intervention that should have a more positive effect. From my perspective as someone who, I believe, has a good network in the community, who has spoken on a lot of these issues in the past, and has been out front and centre in talking about Elvie, of which I was a board member and which is only one of 60 female-founded businesses to generate revenue of over £50 million a year in the UK ever, it is very clear to me that opportunity is not equally distributed.

There are things that need to be done to address that and address the funnel, and make sure that people believe that they have the opportunity, and that if they hit certain targets, they can gain success. That needs more comms. It needs more clarity of purpose and mission. It



needs more engagement in the community. Innovate UK, for me, has tended to be a little bit of a faceless organisation in the background; if it can be much more out in the community having stronger engagement, some of those issues can be resolved.

Q28 Dr Gardner: It is not just about the gender of founders, obviously—I mention disabled people and disabled tech, which often gets forgotten—it is also about the topic areas that you focus on and the priority issues that can have a slightly gendered or less inclusive manner. Even if it is a male founder, the topic that they are looking at might be really important, so it is about getting that balance right.

You mentioned earlier performance metrics and how you can manage the criteria and the economic impact. Trying to get an answer out of Innovate UK about why it only funded 25 is challenging. What would effective transparency for Innovate UK look like? You talked about evidence-based and focused institutions, so I am looking at that evidence—what data from the sector would you need to be able to access so that you can demonstrate that performance and that transparency?

Tom Adeyoola: Again, it is about being as up front as possible about how it goes through its process, how budgets are made, how they are allocated and so on. Let us say it is an £8 million competition and there is weak take-up, so only £4 million is allocated. There are two ways of looking at that. One is that it was a misallocation of the number for the competition in the first place, and actually it should have been a £4 million competition. It is not that £4 million was taken away; it is just that there were not enough companies to deliver on that. The transparency needs to be up front in terms of, "This how we think about competitions and this is how we allocate money," so that there is no expectation gap. It has not been that we have taken money away. I am not talking about the women in tech allocation there. It is not about money that is taken away; it is about the fact that there were not enough companies to fulfil that competition, so why were not there?

The right intervention then is about what was wrong with the funnel part of the process that we did not get enough businesses into that space. Is it that that space does not have enough founders? Is it that we have not looked in the right places? Is it that our outreach has not reached the right communities to make them aware? That signal is there in the fact that we did not achieve it.

Dr Gardner: Your criteria for that grant application might have been wrong and misfocused, and that is where, as you said, you have to work with communities to know what criteria you should be setting that would work for those companies.

Tom Adeyoola: Yes, it has to be a feedback loop. It has to be fed back that this is why it did not happen, and this is how it is going back in the next version of the scheme. Especially with things like social media, everything becomes a battleground, whereas often you just need to meet



in the middle and have a conversation and basically express why things are happening. The more that people can see the machinery and how things are going on, the more that heat can be taken out, and the information, the data and the metrics going around to improve the system can be seen, and people can see that it is part of a journey and not a one-shot game.

- Q29 **Chair:** Allison highlighted some of the challenges in getting information out of Innovate UK. As part of the preparation for this meeting we tried to find the accounts for Innovate UK. They are there somewhere, mixed up in UKRI's report publication, but not separated in any clear way. Equally, UKRI's gender pay gap was recently shown to have broadened slightly, by 0.7 percentage points over the last year. In terms of transparency, can you commit to a more transparent and accessible Innovate UK in terms of data, and perhaps a separate set of accounts and reporting?

Tom Adeyoola: I would love that. It has also been a challenge for my part of the process in trying to understand and prepare myself and getting the data that I would expect to know before starting. Once I get those things, I want to make sure, and I aim to make sure, that they become a norm.

Chair: Fantastic.

- Q30 **Jon Pearce:** Tom, thanks for your answers. I want to end by looking at the future. What do you see as the biggest challenge for Innovate UK during your term, if you are appointed? Is it going to be financial? Is it going to be structural? What big challenges are you going to face?

Tom Adeyoola: The big challenge will be getting the momentum for change and shifting the organisation into a cadence and a sense of urgency as a company-focused, outcome-focused organisation. That structural move will be difficult. The key to success will be how quickly that moves. As I said, I have only ever met passionate people in the organisation who are desperate for the organisation to deliver a better ecosystem for the country. At the moment, there is disconnect between that passion and the ambition being there, and the structure strangling the ambition out of possibility. How can they be unleashed?

As I mentioned at the beginning, I see my role as setting the strategy and vision, and then getting the obstacles out of the way for people to deliver. I am an optimist. That is why I am a start-up guy. I believe that in moments of chaos there is big opportunity. At a global level, now is a real opportunity for the UK to position itself and set itself in a way that probably was not there a while ago. The geopolitical context gives us a real opportunity to think about the national champions that we mentioned and about how we set the UK up for the next phase of the global economy.

- Q31 **Jon Pearce:** Great, thank you. In terms of challenges, we have the



HOUSE OF COMMONS

spending review coming up. There is lots of purpose and lots of excitement about this role, and you have lots of ideas. That could come up against the cold hard reality of a very difficult financial picture. Public servants are often asked to deliver more for less; are you ready for that challenge if it comes in the course of your term?

Tom Adeyoola: Yes. I am here to deliver. We have to deliver within the envelope we are given. As an innovator, for me it is always about how you can deliver stuff better, cheaper and faster. It is an obligation to do so.

Jon Pearce: You do not think you will get frustrated within those constraints.

Tom Adeyoola: My whole career I have been frustrated, because I have always wanted to do things quicker than they could potentially be allowed. That is a key part of trying to move things forward and generate progress. You should never not be frustrated. You should always be wanting to achieve more than currently is being achieved. There needs to be that sense of urgency. There needs to be that sense of drive. If I did not have the overarching view that we should be able to do better, I would not be sitting here today.

Q32 **Jon Pearce:** Great. This might be your chance to define the next set of questions from us. If you come back to the Committee at the end of your term, what would success look like for you?

Tom Adeyoola: At the end of the term, there would be clarity of the impact that the organisation is delivering and that it is delivering more, and I would be sitting here with you all wondering how to give more money to the organisation.

Chair: Excellent. That is a very good challenge. Thank you very much, Jon. We have a few more moments and there are a couple more questions for you, Tom. Thanks so much for your answers so far.

Q33 **George Freeman:** I want to ask about the job and the structure. Innovate, as we know, is an arm of UKRI. You are called an executive chair, which means you are in the UKRI structure. There is a network of chairs of the research councils and you have a seat at that table. Innovate, as we all know, does a huge amount of work with other Departments. Internally, it has been structured as a matrix with some verticals such as agriculture, healthy living, food, net zero and digital, and some horizontals such as place and ecosystem, led by Dave, Dean, Gary and the team I used to meet. Do you see yourself really as the chair of Innovate UK sitting on the board of UKRI, or are you the CEO in terms of the tech company parlance that you and I understand? Are you the guy driving Innovate, or are you the chair giving them permission? I am interested in where you sit in that clutch plate of bureaucracies.

Tom Adeyoola: I care about ensuring that an organisation is effective and has the right culture. I would say that I am closer to a CEO.



Q34 George Freeman: Have you had a chance to sit down and meet the senior leadership team and talk through with them how you want to change things?

Tom Adeyoola: Not all of them yet. I have been having some conversations with Stella, the interim, at the moment. We are due to have a sit-down tomorrow. I wanted to make sure that I did that in the right way—have the conversation and sit down with them. Also, I did not want to prejudge this meeting.

Q35 George Freeman: It is an interesting moment. The Government are about to launch the industrial strategy. We have missions. We have a big technology focus. Do you see the next few months, as all this rolls out, radically changing the way Innovate internally is structured, and as an exciting moment of change? Or do you see that Innovate is well structured at the moment and it just needs to plug in, with your leadership, and pick up those missions?

Tom Adeyoola: How I want to do things over the next three months is this. Ian will be starting in August. I want to spend the first month getting under the skin of the organisation, going to see all the catapults and meeting as many people as I can to really understand the culture and how it is operating, because it is quite difficult to see that stuff from the outside. I naturally have views on structure, but I do not want to prejudge. I want to understand how people operate today. From my experience, you can have your views on perfect structures, but when they meet people they often fall apart. Structure and people have to work. You have to tweak them to make them work with people.

For month two, my view is about clarifying and simplifying purpose, and messaging and alignment. Month three would be about the structure to deliver on that purpose, and then being ready to present that in August while all the other stuff is happening in the background. That is how I am thinking about my first 100 days.

George Freeman: Brilliant. Perhaps, assuming your appointment goes through, we can have you back in three months to hear your take. That is quite an exciting moment, isn't it—your first three months as you set out your vision?

Tom Adeyoola: Yes, I would be happy to do that.

Q36 Chair: We will certainly look at that. It is great to hear your vision and your plans for the first 100 days. Building on what George said about the structure, you are the executive chair of Innovate UK, and you will be sitting around the table with all the other executive chairs of the research councils. When Lord Vallance came before the Committee, he had a view of primary research, or curiosity-driven research, as being in a very different bucket—he said it will happen where it happens, rather than being place-based—from development and innovation. What do you see as the relationship between primary research and your very clear vision around Innovate UK? What is the interface there—do you see one?



Tom Adeyoola: We should have a close relationship in understanding what is happening in the primary research field. What are the exciting things coming through where potentially the UK could have an edge? When I came up with Metail, that came from visiting a professor at Cambridge and seeing his primary research going from photos to accurate 3D representation using computer vision. I was like, "Wow, this is interesting." As an innovator, I thought, "I can take that and apply it to this." At the moment, we do not do as good a job as we could do in showcasing and communicating exciting primary research as it comes through for innovators to be able to go, "That's interesting. Let's do something with that."

That interface is pretty important in order to know how stuff comes through, but it needs to be run in the right way: fast, quick and effective, and not slow, which you might see in academic-type institutions. How to facilitate that relationship, how to see primary research and get it out as quickly as possible, is a key part of my relationship with the research houses.

Q37 **Chair:** Thank you very much Tom. You have certainly made an impression on us as somebody who, with your entrepreneurial background, has a bias to action and to speed. It is clear that you are aware of some of the challenges of moving into a public sector organisation. With my background in the private sector, like many people around the Committee, nothing quite prepared me for moving into the public sector, first working for a regulator and then as a Member of Parliament. Has your predecessor, Indro Mukerjee, given you any advice on that or anything else?

Tom Adeyoola: He hasn't directly yet. He sent me a note to congratulate me. I have been going around talking to people I know who have made a similar leap about their experiences and what they have done. I have spoken to Laura Citron at London and Partners, who made the move from the ad world into working for a similar arm's length body. I am hoping to have a conversation with Paul Bate at the UK Space Agency—again, similar. I want to make sure I have those conversations and learn as much as I can. My view in life is "Work smarter, not harder," and "Learn from other people, don't reinvent the wheel." I am open to as many of those conversations as possible. If there are people you would recommend me speaking to, I would gratefully receive that.

Chair: Thank you very much, Tom Adeyoola. Thank you very much for your openness and for the way you have answered our questions. We have very much appreciated your time and we very much appreciated this opportunity for you to share your vision of your role as executive chair of Innovate UK.