

Written evidence submitted by University of Glasgow (SPF0019)

Scottish Affairs Committee Inquiry: Scotland & The Shared Prosperity Fund

University of Glasgow Response

Universities are anchor institutions: they are rooted locally and play a major social, cultural and economic role in the overall wellbeing of their local and regional communities – inspiring economic growth, creating jobs, delivering opportunities for young people from all backgrounds and attracting talented people from across the world to live, study and work in our communities. The University of Glasgow and the city of Glasgow enjoy a symbiotic relationship – for one to succeed and fulfil its potential, so must the other.

The positive impact of universities on society has been particularly strong during the pandemic. However, universities have always- and will always- make a significant social and economic contribution. In modern economic theory, it is well established that two key drivers of economic growth, through their impact on productivity growth, are skills development and R&D. Higher Education sits at the heart of both these processes. Universities generate more than £95bn for the UK economy, supporting over 940,000 full-time equivalent jobs. Our institution, the University of Glasgow, is the second largest university in Scotland and is a proudly international institution, but we have never forgotten that our first duty is to the city we serve. A key part of that is ensuring opportunities are available to talented young people across Glasgow, and working with communities and industry to create local opportunities for inclusive growth. For the university and the city to thrive, we need to be able to empower people across our communities to meet their full potential.

If the UK Government looks to establish the Shared Prosperity Fund (SPF) to redistribute funding and narrow inequalities between communities, it will be imperative that universities in Scotland and across the UK are recognised as catalysts for change and regeneration.

This submission consists of a collection of recommendations from relevant experts across the University of Glasgow and outlines some key examples of the University's civic work across the city which would benefit from future place-based growth funding such as the Shared Prosperity Fund. This response will focus on the following key issues set out in the Terms of Reference:

- 1. What the Shared Prosperity fund means for Scotland**
- 2. How Scotland's priorities can be incorporated into the final plans for the fund**
- 3. What are the implications of the financial assistance powers in the Internal Market Bill and the announcements made by the UK Government in the 2020 Spending Review for the delivery of the Shared Prosperity Fund in Scotland?**

1. What the Shared Prosperity Fund means for Scotland

EU Structural Funds have been key to Scotland's economic development over the past forty years, investing more than £5.6bn into a wide range of projects. To encourage economic growth in Scotland post-Brexit and post-pandemic, replacement schemes for EU funding which are comprehensive and recognise Scotland's distinctive needs will be essential.

The Shared Prosperity Fund (SPF) in conjunction with the UK Government's wider levelling-up agenda, provides the opportunity to identify the differentiation of strengths across the UK. Oftentimes, opportunities for investment and innovative research and activity can be overlooked in certain areas of the UK, in favour of activity geographically located closer to funding bodies and

policy-makers. Despite producing high-quality and world-changing research, Scottish institutions can miss out on opportunities for UK-wide funding as resources tend to be concentrated towards areas geographically closer to London and the south of England, or the so-called 'golden triangle'.

There is an opportunity for universities to be brought together with industry to create jobs and support inclusive growth areas in need of regeneration through their respective R&D strengths. For example, our own institution the University of Glasgow is developing a new life sciences cluster around the Queen Elizabeth University Hospital in Govan, one of the most deprived areas of Glasgow, which will not only offer growing space and support infrastructure for the development of Precision Medicine in Scotland, but will provide local jobs and spaces for community use. The UK Government should use this new SPF to identify areas of strength across the UK, and should work together with the HE sector and industry to develop these strengths and ensure communities across the country can reap the economic benefits of advancing these strengths.

Moreover, the allocation of SPF brings the opportunity to recognise areas of deprivation which have previously been passed over in favour of investment in other areas of the UK. Glasgow has 56 of the most deprived areas in Scotland and for years universities in the city have played a key role in identifying and amplifying the needs of the local community. Universities have not only worked to bridge gaps in accessibility and inclusion through Widening Access initiatives, but have worked with deprived communities in the city to satisfy unmet needs, using research and community partnerships to improve health, boost the economy and build a better future for those living in Glasgow. For example, the University of Glasgow is part of a ground-breaking collaboration with the University of Edinburgh to set up two new learning centres, providing after-school academic tuition, mentoring and programmes to enable young people to achieve their ambitions in Govan in Glasgow and Craigmillar. The partnership is based upon a shared concern for children growing up experiencing poverty and a belief in the power of education to transform young people's lives. The new IntoUniversity centres will provide invaluable long-term support with young people's educational outcomes and their journey into employment and a positive destination.

Universities already have well-established links to communities in need of investment through their community initiatives, links to schools and local industry, and the UK Government should consider this when distributing the new SPF.

2. How Scotland's priorities can be incorporated into the final plans for the fund

As aforementioned, a flaw of previous UK funding strategies has been that areas of strength in Scotland and areas in need of regeneration in Scotland are often overlooked in favour of areas located geographically closer to UK Government and policy-makers. However, it should be noted there has been recent recognition of the need to widen opportunities across the UK and particularly to devolved nations through the 'levelling-up' agenda- this has been welcomed by the Scottish HE sector.

The SPF has the capacity to replicate the success of other place-based economic strategies already in existence in the UK, such as UK Research & Innovation's (UKRI) Strength in Places investments which have benefited cities like Glasgow. The Strength in Places Fund (SIPF) invests in research and innovation projects that aim to drive economic growth in specific areas of the UK and builds on existing research excellence and supply chains and allocates funding to those projects which can demonstrate they will drive significant economic impact. The University of Glasgow was successful in the first wave of SIPF funding and was awarded £38M last year to create the Precision Medicine

Living Lab – an internationally leading project focused on translating cutting-edge science and innovation into a real-world clinical setting.

The Living Lab will be situated in University of Glasgow premises adjacent to the Queen Elizabeth University Hospital Campus in Govan and will be led by the same University of Glasgow team who set up the rapid response Lighthouse Lab COVID-19 testing facility in Glasgow. The Living Lab has been made possible by a consortium public and private partners, who have come together to develop and deliver this project and bring this world-leading development to the city. Alongside the £38M from the UKRI Strength in Places funding, the Living Lab will be supported by over £22M from industrial partners and an investment of £27.5M through the Glasgow City Region City Deal and Glasgow City Council. The Living Lab is projected to deliver 446 high-value jobs in Govan and £136M GVA over an 8-year period. In 2019, a University of Glasgow-led BEIS Science and Innovation Audit highlighted the potential of Scotland's unique health infrastructure to develop world-leading Precision Medicine innovations and enable the UK to be leaders in this field with the global Precision Medicine market projected to reach \$134bn by 2025. The Living Lab will capitalise on this rapidly growing market by harnessing existing strengths and leadership in Precision Medicine to drive economic growth in one of Glasgow's – and the UK's – most deprived areas. This project will deliver a real impact for the local and national economy in an area of the city synonymous with Glaswegian leadership in heavy industry which has faced economic hardship in the past decades, but which will now feel the benefit of Glasgow's world-leading research and innovation strengths. If the new Shared Prosperity Fund can operate similarly to the Strength in Places Fund, then communities across Scotland can reap the benefits of our world-class R&D.

Moreover, Innovation Districts (ID) should also be considered in the planning for SPF as important components of place-based approaches to delivering and driving economic development, shared prosperity and tackling social and economic inequalities.

For example, the University's work to regenerate the Govan area of Glasgow does not stop with the new Living Lab and IntoUniversity centres. The Glasgow Riverside Innovation District (GRID) is an ambitious, multi-faceted partnership between the University of Glasgow, Glasgow City Council and Scottish Enterprise to accelerate an inclusive approach to innovation and is one of the most prominent and promising Innovation Districts in the UK, having world-leading education, medical and cultural assets and the impetus provided by substantial investment for the creation of a dynamic innovation ecosystem. The GRID will act as a conduit to international markets and innovation experience elsewhere through its research excellence, its international networks and network collaboration with firms in high value sectors in Scotland and the UK. GRID is investing in a unique approach to inclusive innovation as a means for linking inclusive growth to innovation-led urban regeneration along the Clyde Waterfront Corridor of Glasgow, by supporting a programme of investment in Govan. The University is investing in one of Scotland's most deprived communities via the GRID, focussing on strengthening engagement with the local community through the co-creation of ideas, business opportunity and learning, that will deliver an inclusive innovation district that is place-based and context-specific to the socio-economic inequalities and obstacles. The GRID is promoting a network of new partnerships, bringing local citizens, communities and public authorities together in dialogue, to support a more place-based approach to social and economic development that better reflects local experience and aspiration. By investing in one of Scotland's most deprived communities, GRID supports a bottom-up approach to research and knowledge exchange as a demonstrator for excellence in delivering a new approach to inclusive innovation.

The GRID represents the changing civic nature and role of Universities beyond their traditional academic one, as a key anchor organisation supporting the delivery of national government

ambitions for inclusive growth, by strengthening links between place, HE and research and innovation policy. GRID promotes an inclusive innovation approach through policies to better 'connect' communities to the benefits of physical regeneration and will help to showcase a new approach to innovation cluster development and institutional working. Through GRID, the University is helping to address the participation gap in UK inclusive innovation working, by investing in an inclusive innovation strategy that will help deliver a transformative trajectory of Govan towards greater shared prosperity.

Scotland punches above its weight in R&D and leads internationally in fields such as Precision Medicine, life sciences and quantum technology. By using SPF to invest in our strengths and at the same time creating infrastructure and innovation ecosystems in areas of deprivation, the UK Government would be killing two birds with one stone- both supporting inclusive growth and developing Scotland's competitive advantage in key fields.

It will be vital for the UK Government and its funding bodies to work closely with the devolved administrations and institutions in the devolved nations to ensure these innovation opportunities are captured and fostered.

3. What are the implications of the financial assistance powers in the Internal Market Bill and the announcements made by the UK Government in the 2020 Spending Review for the delivery of the Shared Prosperity Fund in Scotland?

The recently introduced UK Internal Market Bill will replace current EU provisions and could impact on the capacity of devolved nations to set out funding policy. Following the introduction of the Bill, the UK Government will be able to distribute funding to any person or institution in the UK for the purposes of:

- promoting economic development in the UK
- providing infrastructure in the UK
- supporting cultural and sporting activities, projects and events
- supporting international and domestic educational and training activities and exchanges

Although the UK Government has successfully delivered schemes such as the Strength in Places fund to institutions in the devolved nations, in broad terms, there are challenges surrounding the translation of funding from UK Government level to universities in the devolved nations. Oftentimes when the UK Government announces an increase in funding for UK universities, through Quality-related (QR) funding for example, this does not translate at all to Scottish institutions.

A policy disconnect exists and often policy and funding commitments made at the top level do not filter fully through to institutions across the UK. There should be a connectedness between policy and funding, alongside a recognition of differentiation across the UK nations and a respect for the policy-priorities in each of the devolved nations

If levelling-up and the Shared Prosperity Fund are to be key mechanisms to tackle economic disparities, then the UK Government should assess how it identifies areas most in need of investment. If there is a lack of representation from these areas, then arguably these areas most in need of 'levelling-up' will be bypassed. If the process to encourage levelling-up is a call for funding and application process then this will not solve the problem, instead the Government must ensure it has sufficient representation from across the UK in the bodies and committees responsible for policy decisions and distribution of funding. This could take the form of secondment opportunities with universities, devolved nation institutions or by appointing a lead for each devolved nation. Moreover,

allowing regional partners and devolved nations to lead on allocation of funding and programme development will allow for the correct identification of areas in need since local actors often have a clearer understanding of the geographical nuances and unique needs of communities.

Overall, the University of Glasgow welcomes this inquiry and opportunity to discuss the delivery of the Shared Prosperity Fund. We look forward to continuing with our regeneration efforts across the city of Glasgow and hope that universities will be recognised as a catalyst for reducing inequalities, not only through education but as facilitators of economic growth and innovation too. The potential to 'build back better' and capitalise on areas of strength in the UK such as Precision Medicine, whilst putting in place measures to encourage inclusive growth is exciting.

The University would be happy to elaborate further on any points made and looks forward to hearing the discussions on the Scottish Affairs Select Committee on this issue.

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