Nottinghamshire County Council

Report to Economic Development Committee

6 September 2016

Agenda Item: 4

REPORT OF THE CORPORATE DIRECTOR PLACE

NTU INNOVATION OUTREACH FEASIBILITY STUDY - SUMMARY OF OUTCOMES

Purpose of the Report

1. To report the findings and outcomes of the NTU and Nottinghamshire County Council Innovation Outreach Feasibility Study and for Members to consider potential next steps. NTU will be attending Committee to make a presentation in support of the report and to answer any questions that Members might have.

Background

2. Members may recall that during the summer of 2015, Nottinghamshire County Council and Nottingham Trent University (NTU) worked in collaboration to deliver the highly successful Mansfield Summer of Design, an innovation outreach pilot aimed at local SMEs in the Mansfield area. This outreach pilot was delivered as part of the NTU 'Future Factory' European Regional Development Fund (ERDF) funded project and featured:

   - A weekend long exhibition of imaginative design at Mansfield Library
   - A series of workshops for SMEs to inspire and develop business, product design and technical expertise such as use of 3D software and an introduction to new technologies.

3. In January 2016, Nottinghamshire County Council and Nottingham Trent University co-funded a feasibility study to build on the success of this pilot to evaluate the need, demand, funding and sustainability options for a university-led outreach business support programme across the County for SMEs. Particular focus was placed on exploring the potential for a mobile innovation service which could complement existing support provision within the Nottinghamshire area.

4. The feasibility study used a mixed methods approach, these were:

   - An online innovation and growth needs survey, completed by 97 SMEs in Nottinghamshire
   - Face to Face interviews with 15 Nottinghamshire SMEs
   - A focus group with a further 5 Nottinghamshire SMEs
   - Face to Face interviews with officers from 5 Nottinghamshire Local Authorities and other business support intermediaries

- Desk research on 15 mobile innovation and FabLab style services (FabLabs are a global network of workshops/labs accessible to individuals and containing tools for digital fabrication)
- Visits to FabLab Devon and The Institute of Making

Summary of Findings

5. The findings from the feasibility study are in four groups, these are:

    i.   General support for growth and innovation
    ii.   Mobile/outreach support
    iii. Digital/technology support
    iv.   Collaboration

General support for growth and innovation

6. From face to face interviews and the survey, the most frequently preferred business support needs were as shown below:

Survey – preferred innovations (highest to lowest)	Interviews – requests for support (highest to lowest)
Develop new services	Individual / bespoke projects
Adopt new technology	New business models
Access new markets	Staff training
Adopt new internal processes	Mentoring
Develop a culture of innovation	Finding the most appropriate software
Adopt new business models	Access to market data / analysis
Develop new technology/ software	Creativity & Innovation
Identify new materials	Finding staff with the correct skills
Exploit IP	Other requests

7. Support for innovation was geared towards 'knowledge based' approaches, such as new services, markets, talent and skills and new business models for revenue generation.

8. From the survey, one third of respondents aspired to being highly innovative, but barriers to innovation include: lack of time (>50%); lack of finance (50%); recruitment of talent; cash flow implications; unsure how to finance; lack of access or understanding of new technology. The preferred methods of delivery included: bespoke projects; mentoring, workshops; student placements or projects and taster sessions.

Mobile/ outreach support

9. More than one quarter of respondents report being prepared to travel up to 10 miles for support, with several prepared to travel further. Interviewees suggest that outreach to SMEs would be welcomed by their businesses. Engagement is

therefore key and appropriate resources need to be considered. However, both interviews and surveys show that there is a lack of awareness of existing support.

10. SME enthusiasm for mobile support was cautious. The main benefits seemed to be as a time saver in relation to travel and a promotional tool. Uptake of any service depends on the offering being directly useful to the SME.

Digital/ Technology support

11. Setting up a FabLab type facility is a costly investment and requires significant on-going resources. Digital fabrication technology is rapidly changing with new products and regular upgrades. There is a risk of any offering becoming 'out-of-date' without funds to upgrade regularly.

12. Evidence from existing FabLabs is that their open-to-all approach is most popular with students, local hobbyists and for delivering school workshops. There is a lack of evidence of consistent demand from the business community.

13. Currently within Nottinghamshire there is only limited access to 'hands-on' workshop facilities with basic provision but a lack of innovative and digital technologies.

14. Pop-up activities such as Mansfield Summer of Design have been supported through collaboration, using mobile equipment provided by NTU through its ERDF project. This approach is not without costs and these would be incurred for any workshop-style activity regardless of location. Marketing of the activity was identified as a key challenge.

Collaboration

15. Officers from across the County's local authorities and other intermediary organisations were keen to work collaboratively with any service offerings, such as those from NTU, though many were previously unaware of the range of services on offer.

16. SMEs could potentially be introduced to digital technologies by local universities, such as through the Enabling Innovation project (a new ERDF funded project delivered by the 3 universities in D2N2), however free access would be limited to one-off, short projects with any one SME.

Options and Outline Recommendations

17. Currently there is no significant mobile business provision within Nottinghamshire and only limited access to workshop facilities. The decision on how to go ahead is a balance between need and costs (both initial and ongoing), with potentially fairly low need and high costs associated with a mobile resource. It is difficult to accurately predict the uptake of an offer that doesn't currently exist.   The

feasibility outcomes present five potential options, these are explored in the table below.

Options evaluation

Initiative	Benefits	Limitations
A. Mobile 'FabLab' type resource **NOT recommended**	Satisfies interest in outreach activity; Resolves time and access issues; Supports awareness raising, publicity and marketing.	Lack of direct evidence of demand for technical support; High set-up and running costs; Risk of becoming out-of-date; Requires skilled staff to run service.
B. Flexible use mobile resource **FAVOURABLE option**	Satisfies interest in wider range of outreach activity; Resolves time and access issues; Helps with awareness raising and marketing.	Moderate set-up and running costs; Running costs incurred whether in-use or not; Needs design to facilitate easy switch between uses; Depends on availability of digital/technical resources for this use; Mobile venue may not be suitable for some activities (e.g. too small/ cold).
C. Pop-up support **PREFERRED option**	Satisfies interest in wider range of outreach activity; Compromise on issues of time and access (e.g. within 10 miles of SME clusters); Helps with awareness raising and community engagement; Maximises use of existing facilities, which also provide good access to parking and public transport; security and IT.	Variable venues and access needs could limit activity in some locations; Low-moderate set-up costs could include design/build of mobile display units to support various activities and events; Depends on availability of digital/technical resources for this use; Running costs on-demand but include transport costs and logistics solutions where technology is used. Dependent on local partnerships to schedule and promote activities.
D. Fixed outreach venue	Compromises outreach activity provision, depending on choice of location; Helps with awareness raising mainly in local business community; If tied into existing facility could maximise use and benefit from access, security and	Whichever location chosen, remains remote from other SME clusters; Overhead costs could be high, if facility not constantly used; Set up costs depend on activity included, but could be as high as those above for FabLab Devon.

NOT recommended	infrastructure.	Outreach to other locations would incur additional costs and resource issues.
E. No outreach support NOT recommended	No resource/ cost implications	Fails to meet demand for outreach support; Fails to raise awareness of existing provision and innovation/ growth opportunities. Secures no economic benefits.

18. For the reasons identified in the table, the strongest preference is for Option C because it satisfies the interest in the widest range of outreach activity and with delivery in mind, this would be the most flexible and responsive approach. Resources are limited and Option C would help with awareness raising and community engagement in addition to maximising the use of existing facilities.

19. It is important to note that whichever model is taken forward, there is requirement to make sure that resource (staff time) can be made available to facilitate and manage collaborative partnerships, these partnerships will be a key success factor in the implementation of Option C. Marketing and promotional activity will also be a vital component of success, the feasibility study identified low levels of awareness of university led business support by survey respondents.

20. With current and future resource constraints, delivery of Option C could dovetail with the ERDF Enabling Innovation project which is being delivered in collaboration by the universities of Nottingham, Nottingham Trent and Derby. Focusing project resources based upon the findings from the outreach feasibility study is likely to provide the best outcomes for SMEs in Nottinghamshire.

21. In order to maximise the success of Option C, a co-ordinated partnership approach would be required and linkages to established mechanisms such at the D2N2 Growth Hub will be key. A co-ordinated approach could mean that there is access to networks through which a customised and scheduled offer could be facilitated that builds on local facilities including libraries and innovation centres.

Reason for Recommendation

22. The report outlines the findings and recommendations, these are based on the evidence and analysis from the feasibility study. Option C is the most appropriate option to take forward because it offers best value in terms of resourcing, meeting identified needs and the achievement of outcomes.

23. Linking the delivery of Option C with the ERDF Enabling Innovation project means that key identified needs from the feasibility study e.g. adopting new technology, adopting new processes could be achieved and backed up by access to short customised interventions.

24. It is intended that Option C could be delivered alongside the ERDF Enabling Innovation project. Consideration of partner and local authority investment in

marketing, promotion and co-ordination remain important points and it is suggested that these are kept in mind in the context of future delivery and resource planning.

Statutory and Policy Implications

This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

Finance implications

There are no financial implications arising from this report

RECOMMENDATIONS

That Committee endorses Option C (Pop-up support) as set out in paragraph 17C of the report being taken forward and closely aligned with the ERDF Enabling Innovation project.

Tim Gregory
Corporate Director Place

For any enquiries about this report please contact:
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Constitutional Comments (SLB 24/08/2016)
Economic Development Committee is the appropriate body to consider the content of this report.

Financial Comments (DJK 25.08.2016)
The contents of this report are duly noted, there are no financial implications.

Background Papers
NTU Innovation Outreach Feasibility Study Report, Economic Development Committee January 19th 2016

Electoral Division(s) and Member(s) Affected
All