



# Liverpool City Region All-Party Parliamentary Group

<b>Chair</b>	Kim Johnson MP	
<b>Vice-Chairs</b>	Lord Alton	Lord Heseltine
	Marie Rimmer MP	George Howarth MP
	Margaret Greenwood MP	Paula Baker MP
	Mike Amesbury MP	Mick Whitley MP
	Derek Twigg MP	Ian Byrne MP
<b>Secretary</b>	Conor McGinn MP	
<b>Treasurer</b>	Lord Hunt of Wirral	

## MINUTES

### Meeting: An Innovation Deal for the Liverpool City Region

### Liverpool City Region All-Party Parliamentary Group

14:15-16:00, Tuesday 26<sup>th</sup> April 2022

### Hybrid Meeting

## ATTENDEES

Present:

Chair: Kim Johnson MP, Liverpool Riverside, Labour

Speakers:

- Chi Onwurah MP, Shadow Minister for Science, Research and Digital, MP Newcastle upon Tyne Central, Labour
- Steve Rotheram, Metro Mayor of the Liverpool City Region
- Prof. Janet Hemingway, Founding Director of iiCON, Professor of Tropical Medicine at the Liverpool School of Tropical Medicine, and President of the Royal Society of Tropical Medicine & Hygiene.
- Dr Jon Hague, Vice President, Science and Technology, Unilever Homecare & Chair of the Innovation Board for the Liverpool City Region
- Dr Charlie Whitford, Director, North West and Regions at the Manufacturing and Technology Centre (MTC)

In-Person Attendees:

- Ian Byrne MP, West Derby, Labour
- Dan Carden MP, Liverpool Walton, Labour
- Alex Cousins, Business Director, Connected Places Catapult
- Alex Clark, Programme Manager, Liverpool Freeport
- Peter Dowd MP, Bootle, Labour
- Matt Garlick, Head of Government Relations and Public Affairs, Liverpool City Region Combined Authority

- The Baroness Hooper CMG, Conservative
- Professor Anthony Hollander, Pro Vice Chancellor for Research and Innovation at the University of Liverpool
- Rt Hon Sir George Howarth MP, Knowsley, Labour
- Richard Katz, CEO and Founder, Glass Futures
- Mark Lawler, Managing Director, Baltic Creative CIC, Director & Co-Founder at Baltic Triangle Area CIC
- John Lucy, Director, Liverpool Freeport
- Alison McGovern MP, Wirral South, Labour
- Cate Murphy, Office Manager for Kim Johnson MP
- Gus Riddy, Government Relations and Public Affairs Officer, Liverpool City Region Combined Authority
- Marie Rimmer MP, St Helens South and Whiston, Labour
- Dr Sonia Vujovic, Head of Consultancy and Industrial Strategy Projects, University of Liverpool
- John Whaling, Lead Officer, Innovation and Commercialisation, Liverpool City Region Combined Authority
- Mick Whitley MP, Birkenhead, Labour

## **1. Chair's Welcome and Introductions**

**Kim Johnson MP, Chair, Liverpool City Region APPG**

Kim Johnson MP welcomed online and in-person attendees .

## **2 Contributions from Speakers**

**Chi Onwurah MP, Shadow Minister for Science, Research and Digital, MP Newcastle upon Tyne Central, Labour:**

- R&D is an absolute no brainer for our economy, the campaign for Science and Engineering found that for every £1 invested from the Government on R&D we get 20 pence back each and every year in perpetuity.
- Moreover, R&D is the only way regional economies can build their own self-sufficient, high-skill, high-productivity economies.
- Delays in R&D goals will cost us billions in lost private sector investment and leave us playing catch-up with the rest of the OECD.
- This has serious consequences for the short-term growth and the long-term resilience of our economy. I'd recommend NESTA's The Missing 4 Billion Report, which sets that out.
- Investing in R&D will prepare us for the great future challenges: climate change, feeding the world, self-defence, developing resilience in supply chains.
- R&D is essential regionally and nationally. In terms of R&D London and the South East receive much more per capita funding than the rest of the country – twice as

much as the UK average in terms of Government expenditure on R&D and close to 10 times what the North West receives.

- Private spending is even more regionally imbalanced, and this has gotten worse since 2010. We've also seen cuts to the overseas aid budget which has affected the Liverpool School of Tropical Medicine.
- More recently the Shared Prosperity Fund gives no detail as to how cuts will affect R&D. European funds were much more favourable to the North West.
- We're in a position where we haven't got the R&D required. There's also the infrastructure which we need, the rail transport, the skills infrastructure. We want to see funding leading to increased equality and diversity in STEM. We need this not as an optional add-on, but as an absolute economic imperative. I just want to conclude by saying that the LCR administration are really leading the way with the goal of a 5% GVA spend on R&D

### **Steve Rotheram, Metro Mayor of the Liverpool City Region**

- No one is against levelling up in principle, but what does it actually mean? It's more than transport, housing, infrastructure. It has to be about the latent potential of areas. The Liverpool City Region has a lot of latent potential, and a lot of that is about R&D.
- Some of the innovations we've been involved with: The world's first centre for Tropical Medicine (LSTM), the discovery of the link between sugar and diabetes.
- People might not traditionally associate innovation with the Liverpool City Region, but it's hugely important to us. The LSTM is cornering the market on Maritime Net Zero for example. The time for tidal is ripe right now.
- We want to invest 5% of our GVA in R&D - creating the skills base for that is really important. I've been looking at a lot of labour market statistics recently, and on all indicators pre-pandemic, the Liverpool City Region is catching up to the national average across all the areas and beating it in others.
- For instance, LCR connect will connect us with fibre-optic cables, providing us with the capacity to do serious data analytics and strengthen our innovation; a source of green, clean renewable energy. Marry that with Hynet, Glass Futures, what we're trying to do in 'Clustering' our industries, and it's starting to come together.
- We're competing with the Golden Triangle, with Leeds and Manchester, but we're saying to the Government 'invest in us, you'll get a bigger bang for your buck'.

### **Prof. Janet Hemingway, Founding Director of iiCON, Professor of Tropical Medicine at the Liverpool School of Tropical Medicine (LSTM), and President of the Royal Society of Tropical Medicine & Hygiene.**

- Five years ago LCR conducted its first Science and Innovation audit – moving the City Region from a very large list of things that it thought it did well, to a shorter list of three things that it knew it did well.
- That has allowed a lot of things to coalesce around those areas: Infection, Materials, Digital. Having said that up the City Region has been able to start thinking about transferring those areas where we have excellence into something where we're

going to act as a powerhouse. The 5% target won't achieve itself unless we get those three areas moving.

- Thinking innovatively we have developed an holistic ecosystem where academia could work with the public sector, private sector, etc. LSTM bid for £18.6 million of the strengthening places fund, with the idea that we would turn that into £120 million over 5 years, and take R&D spend, already £2 billion pounds, and push to 2030 by £3 billion.
- We were also intending to be disease agnostic – we proved that in spades when COVID did hit, 6 of our 10 platforms pivoted to COVID.

Out achievements:

- We were supposed to get to £120 million in 5 years, we've got to £200 million in 18 months. We want to make sure our jobs are home grown, so we're working with the LCR CA to train people in the area to fill the jobs we're creating.
- We're working with 300 industry partners, we have 11 products to market, 16 in the pipeline, We have 3.5 billion units that have reached populations in only 18 months.
- We're working with large companies, small companies, we want local SME's to benefit so we have an award to help us work with small companies.
- We have a good concentration of those SMEs in the City Region.
- We've already created one spin-off company, we've another coming around next year.
- We've got venture capital involved – all of the elements we've been talking about here.
- We're also benefitting the health of the region, feeding our innovations into helping the local population
- The UK Government is looking at how our model can be used for the Northern Powerhouse, as is the Canadian Government

**Dr Jon Hague, Vice President, Science and Technology, Unilever Homecare & Chair of the Innovation Board for the Liverpool City Region**

- The Liverpool City Region is Unilever's spiritual home.
- We have the iconic Lever Brothers factory in Port Sunlight. But more important for today is the fact that the Liverpool City Region has Unilever's largest R&D lab anywhere in the world, and the last big R&D lab in the North of England.
- We've 850 people working in R&D in Liverpool – **the biggest concentration anywhere on the planet.**
- Our biggest partnerships anywhere in the world are in the Liverpool City Region.
- Unilever's investment in people, programme, and capital, is in excess of £100 million. This is a powerhouse.
- Half of Unilever's patents are filed in the UK – nearly all of those are filled in Liverpool. Because of our partnerships and people.
- Unilever stays in the City Region for some very good reasons. We have facilities packed with people who are passionate about science.

- We have, in Liverpool, a unique concentration of world-class assets, which make it a very attractive place to start investing. For Unilever, Liverpool is already prominent on the global stage.
- Our Innovation Board is the engine of this change – we’re the reason for the target of 5% of GVA in R&D.
- The Science and Innovation Board is where great partnerships are formed. I think we’re very well set as a city region to accelerate the progress we’ve already made.

**Dr Charlie Whitford, Director, North West and Regions at the Manufacturing and Technology Centre (MTC).**

- The MTC is a non-profit R&D organization, part of the high-value manufacturing catapult. Its purpose is to enable businesses to develop sustainable economic growth.
- Many businesses in the City Region are innovating.
- Manufacturers have taken advantage of support from the MTC and the CA to pivot into new sectors and finding opportunities for business growth. This, paired with high demand, is creating a lot of growth.
- However there are still some barriers to growth. A major one is skills and staffing. There’s a shortage of people who are able to work in manual manufacturing operations.
- This is a growing trend exacerbated by lifestyle choices – remote, desk-based jobs are becoming more attractive.
- Industries are being squeezed by supply chain issues and a number of businesses shifting towards greater digitalisation.
- The manufacturing sector in LCR is made up of a further 3,000 businesses, including logistics, businesses developing logistical and mechanical solutions, and others. A major component of our support for the region is the Digital Manufacturing Accelerator – an initial 10-year partnership to invest in building global competitiveness.
- By building opportunity for businesses, the MTC along with partners such as The University of Liverpool will continue to support businesses, adopt and innovate.

### **3 AUDIENCE Q&A**

**“What can the Liverpool City Region do make noise to Government to get the funds and powers it needs to become an Innovation Powerhouse?”**

**Steve Rotheram:** The LUWP was a huge opportunity for Government to put its money where its mouth is. We put in an ambitious innovation bid, but it wasn’t supported. I went to speak with the Secretary of State, who has said they’ll look ‘project by project’ at us. I do think that geography often counts against us. If some of our projects were in Oxford or Cambridge they would be supported, 100%, by national government.

**Dr Hague:** I think it's also important to keep the quality of what we're doing really high. The more we can put together the cases that show our success and show value for money, the more we can sell those great examples ourselves. The prospectus is a great start on that.

**Dr Whitford:** Businesses will always invest in R&D and innovation if they can – but they need clarity in the pipeline, procurement strategies, etc. There's a lot they can do to support that. For instance, if the Government is clearer on shipbuilding and creates consistency, governments will jump on it.

**Prof Hemingway:** It's also important to create sustainable programmes. An ecosystem takes a long time to pull together & get working.

**Richard Katz, CEO of Glass Futures (attendee):** As investors based outside of Liverpool, we chose to situate Glass Futures in St Helens is because it's an ideal ecosystem for glass manufacturing.

**Baroness Hooper asked asked what private companies are doing to replace European funding in LCR.**

**Dr Hague:** We've made sure all of our work is wholly insular – EU projects in the EU, UK projects in UK, etc. The concept of the Horizon scheme is brilliant, because it does take time to get decent R&D done. The reality for industry is that very little of UK industry got hold of that scheme.

**Chi Onwurah MP:** One of the big downsides to less European funding is that it's less long-term. 3 year spending reviews gives less stability, less predictability, makes investment more difficult.

**Baroness Hooper CMG:** Liverpool has an excellent global profile – being an old port for the Americas. We should build on these historical ties when re-imagining Liverpool as a hub of innovation.

**“How can we take a Pan-Northern approach to r&d to make sure Liverpool's gain isn't Manchester or Leeds' loss”**

**Steve Rotheram:** The key is collaboration – when we audited our scientific capacities we realised there's some things we're really good at, some things we're not. The key is working with our other cities across the North, what I call the 'Golden arch'

**Professor Anthony Hollander (attendee):** As Chair of the N8 research partnership, I do believe it's really important for us all to work together. I'm very well aware of the image of Liverpool (good and bad) and have seen huge transformation. My doubt would be the soft-power element. **How does Liverpool battle its bad reputation, particularly in British media?**

**Steve Rotheram:** Liverpool has a very strong international brand, but in the UK, particularly in Westminster, Liverpool as a brand is deeply damaged and there are entrenched

stereotypes. For whatever reason, Liverpool was portrayed differently on the television from the 70s onwards.

The way we change that image is through innovation. When people realise that the LSTM is as pioneering as it is, that Unilever engages seriously in the region, that we're a leading centre for decarbonisation.

**Kim Johnson** thanked attendees, both virtual and in-person. She noted that the APPG was co-hosting a reception on the 26<sup>th</sup> April with the Liverpool City Region Combined Authority to launch their [Innovation Prospectus](#), and that the next meeting will be announced in due course.

## ENDS

Dialling in:

- Mick Allen, Assistant Director, Area Lead Liverpool City Region & Northern Powerhouse Team, Department for Business, Energy and Industrial Strategy (BEIS)
- Tom Arnold, Post-doctoral Research Associate, Heseltine Institute for Public Policy, Practice and Place
- Abdul Basit Qadir (Cllr), Cabinet Member for Neighbourhoods, Liverpool City Council
- Richard Bayley, Lead Engineer, Atkins
- Luca Biagioni, Local Energy Lead, Heat Decarbonisation and Net Zero, Liverpool City Region Combined Authority
- Matt Blakemore, Communications & Engagement Project Manager, Shaping Care Together
- Nengi Blessing Diriyai, Corporate Engagement Officer at Transport for The North
- Elaine Bowker, Chief Executive, The City of Liverpool College
- Nick Brelsford, Head of Partnerships, England North, Sustrans
- Samantha Brennan, Regional Director, Community Integrated Care
- Annette Burghes, Executive Director, Collective Encounters
- Richard Carr, Business Engagement Manager, RIA North
- Hannah Chirnside, Associate Consultant, 56° North
- Jonny Clark, Liverpool City Region Combined Authority
- Emily Cook, Policy Assistant, Knowledge Quarter Liverpool
- Jane Corbett
- Keith Dunham, Associate, Atkins
- Gemma Gathercole, Strategic Engagement Lead at ACCA UK
- Abi Graveson, Land Negotiator, Redrow
- Hazel Griffiths (Dr), NHS
- Ali Gunn, Public Affairs and Policy Lead, United Response
- Paul Hadley, Deputy Director - Economic Development
- Lisa Harris, Executive Director, Place, St Helens Council
- Kieran Heakin
- Helen Heap, Founder and CEO, SEEBOHM HILL
- James Hennigan, Public Affairs Manager, Riverside
- Patrick Hurley (Cllr) , Liverpool City Council

- Claire Jones, Industrial Officer at PCS Trade Union
- Lucja Kent, Regional Development Manager, First TransPennine Express
- Gaynor Kenyon, Director of Corporate Affairs, United Utilities
- Ian Lomas, CEO, Greater Merseyside Learning Providers Federation
- John Lucy, Director, Liverpool Freeport, Liverpool City Region Combined Authority
- Chris Matthews, Head of Sustainability, United Utilities
- Andrew McGuinness, Regional Manager (North of England), Confederation of Passenger Transport UK
- Andrew McPhillips, Chief Economist, Northern Powerhouse Partnership
- Pat Moloney (Cllr), Liverpool City Council
- Gill Morris, CEO, DevoConnect
- Greg Myers (Cllr), Sefton Council
- Yvonne Nolan (Cllr), Wirral Council
- Dan O'Donoghue, Westminster Editor, Reach PLC
- Damien O'Connor (Cllr), St Helens Council
- Michael Parkinson, Honorary Professor at the University of Liverpool and Ambassador for its Heseltine Institute for Public Policy, Practice and Place
- Franky Procter, Events Coordinator, Peoples Powerhouse
- Mike Riley (Dr), Professor of Civil Engineering and Built Environment, Liverpool John Moores University
- Amish Sarpotdar (Dr), Postdoctoral Research Associate, FAIR Project, University of Manchester
- Clare Sexton, Public Affairs Executive, UKHospitality
- Neil Smith, Union Official at GMB
- Louis Swindell, Business Development Manager, Rock Rail
- Jane Townend, Head of Knowledge Exchange and Commercialisation, Liverpool John Moores University
- Olivia Tyrrell, Communications Business Partner, Onward Homes
- Damian Waters, Director, CBI North West
- Tom Williamson, Head of Innovation, Scottish Power
- Mike Wynne, Assistant Director, IT Services at Liverpool John Moores University
- Wei Yang, CEO, Wei Yang and Partners
- Joe Yates (Dr), Executive Dean, Liverpool John Moores University

Also in attendance

- Debbie Caine, Secretariat
- Leo Kelly, Secretariat
- Robbie MacDuff, Secretariat

Apologies:

- Mike Amesbury MP, Weaver Vale, Labour
- Paula Barker MP, Liverpool Wavertree, Labour
- Margaret Greenwood MP, Wirral West, Labour
- The Lord Alton of Liverpool



- The Rt Hon. the Lord Hunt of Wirral, Conservative
- Conor McGinn MP, St Helens North, Labour
- The Rt Hon. the Lord Heseltine CH
- Derek Twigg MP, Halton, Labour