

## Annex 8. Summary of Stakeholder Consultation

Throughout spring 2018, nearly 40 businesses, stakeholders, aggregator bodies, research centres, councils and Local Enterprise Partnerships were consulted on their views on eco-innovation relating to clean growth.

### Organisations consulted included:

- + Alstom
- + BAE Systems
- + Cadent Gas
- + C-Tech Innovation
- + Cheshire & Warrington, Cumbria, Lancashire, Liverpool City Region Local Enterprise Partnerships
- + Electricity North West
- + Innovate UK
- + New Economy Manchester
- + North West Aerospace Alliance
- + Northern Automotive Alliance
- + North Wales Economic Ambition Board
- + Pilkington
- + Siemens
- + STFC Hartree
- + Staffordshire County Council

Large and small businesses and research centres that engage in Clean Growth driven by Eco-Innovation were targeted structured around our four capabilities, i.e. Environmental Industries Technologies & Services (EITS), Future Energy Systems (FES), Advanced Manufacturing, Chemicals and Materials (AMCM) and the Cross-cutting research and innovation for Clean and Sustainable Growth.

During May/June 2018, over 100 SMEs associated with environmental technology, advanced manufacturing and energy systems located across the SIA region were invited to undertake an email and telephone follow-up survey.

### The following thematic areas were discussed:

- + Background to the business and how it engages in Eco-Innovation/ Stakeholders' experience of, and views on Eco-Innovation;
- + Specific experiences in Eco-Innovation, including successes and barriers;
- + The strengths and weaknesses of the NWCA partnership offering and support network;
- + International competitors and comparators;
- + Actions to strengthen the NWCA competitiveness in Eco-Innovation;
- + Other comments and observations.

**Access to finance/funding** was a recurring barrier throughout the consultations, this was highlighted as both an issue at local level for start-ups and innovators and businesses wanting to progress from SME to becoming larger, especially at the manufacture and commercialisation stage. Overseas opportunities are missed due to lack of access to capital for the initial cost of establishing a presence outside of the UK. This is a particular issue in China, where the market exists, but is difficult to tap in to. Overall funding streams we considered too inflexible.

### The most significant messages from consultees were around the following areas:

**Skills shortages** were prevalent ranging from a lack of skilled technicians for installing smart meters to university graduates not having sufficient market knowledge to more generally STEM graduates being difficult to find.

Strong messages were given around **disconnected geographies** where resources and programmes tend to be project based and targeted around geographies and specific areas. This creates a lack of coordination of activities across the NWCA. A 'Clean Growth Clustering Network' was considered valuable by several SMEs.

**Support for overseas expansion and new markets** was seen as not easily visible. Recurring in a number of the consultations was the view that the stakeholder would like to, or had tried to, expand overseas, but that the support had not been present to make this viable. Overseas emerging markets such as China and Southeast Asia could be exploited to build the reputation of the area globally.

**Demonstrator facilities** – consultees involved with the Keele University SEND found the facility to be of huge benefit in that it provided independent feasibility testing and an ability to showcase the technology. This gives technology exposure in the UK and internationally. The success of this facility means that there is scope to develop more, especially at non-academic institutes, where the technologies can be demonstrated to a larger audience and in an applied space. Several SMEs note the need for investment in infrastructure for demonstration to enable international competitive advantage.

Several **national level political barriers** were identified including a generally unstable political climate, particularly around what direction the government will choose to direct the (Energy) sector towards, means it is difficult to develop long-term Eco-Innovation strategies. This was a recurring theme in the consultations, where a large amount of investment is required to develop R&D projects.

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**Table A8.1**  
**Summary of the key findings from the wider stakeholder consultation exercise in people's own words**

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Strengths	<p>Strong history of innovation that complements its industrial heritage. The NWCA has significant technological expertise and infrastructure through engaged and outward facing Colleges, Universities and Research Centres to attract investment: Lancaster SME shared lab space, Hartree Centre, Keele University Demonstrator, the Energy HQ at Blackpool etc.</p> <p>Naturally and industrially resource rich – offshore renewables; marine assets; hydrogen as by-product; storage capability.</p> <p>Globally relevant assets across the NW Coastal Arc that can demonstrate experience and understanding that other parts of the UK cannot.</p> <p>Ability to bring together businesses and researchers from different sectors to test innovation relevance to adjacent sectors with an ideal geography to provide a “sandpit” for experimentation and testing.</p> <p>Cheshire and Warrington alone - over 7,000 companies involved in energy/environment businesses employing over 31,000.</p> <p>Neighbouring Greater Manchester has assets and strengths in Low Carbon Environmental Goods and Services.</p>
Barriers	<p>Access to finance/funding.</p> <p>Skilled workforce with sufficient R&amp;D training.</p> <p>Difficulties accessing skilled workers with STEM skills – not universal (Liverpool-Manchester corridor strong).</p> <p>Disconnected geographies /sectors.</p> <p>Lack of awareness of other sub-sector activity.</p> <p>Lack of stable long-term national strategy.</p> <p>Related lack of independent advice and guidance.</p> <p>SMEs don't see relevance of the market to them – as producers or consumers.</p> <p>Fragmentation of clean growth innovation system – lack of a regional coordinating entity.</p> <p>Eco-innovation is a sphere of multiple careers in a lifetime - opportunities need to be created to transition between these easily.</p> <p>UK responsibilities for Eco-Innovation are highly demarcated.</p> <p>If you're not truly “all green” then are you “worthy” of attention and support?</p> <p>More investment in stimulating public demand is required.</p> <p>Where are issues of transport and mass transit infrastructure and planning?</p> <p>Poor connectivity to supply chains (e.g. solar, wind, power electronics).</p>
Opportunities	<p>Gap in the global market for a test-bed Eco-Innovation region.</p> <p>Greater use of demonstrator facilities.</p> <p>Abundance of natural and industrial assets that can be exploited - low-carbon energy and heat generation.</p> <p>Capitalise on local specialist knowledge by exporting this to emerging markets – SE Asia, China, MENA.</p> <p>Businesses in the NWCA generate Intellectual Property (IP), new materials, techniques, products and processes that can be applicable in other sectors.</p> <p>Best practice in low carbon Innovation not limited to the primary function of the business – how to build on this and share best practice?</p> <p>The Eco-Innovation SIA provides a hub for new levels of dialogue and awareness-raising in relation to productivity and growth.</p> <p>The SIA should stimulate proposals that include all of revenue, capital and training needs to enable comprehensive plans to be developed within and across companies (and thereby avoid multiple applications and risk of ineligibility).</p>