

# Unlocking Growth Through Innovation and Entrepreneurship

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# Introduction

The UK is at a critical juncture. After 14 years of mismanagement and uncertainty, the economy is ailing, with GDP per capita flatlining since 2008 ([Office for National Statistics](#)). The new Labour government brings the hope of a genuine transformation.

The initiatives already announced by the new administration are steps in the right direction, but in the medium term, the only true route to nationwide growth is through innovation, entrepreneurship, and technology. However, we need to be bold, broad, and inclusive in defining these three pillars.

In the digital age, innovation and technology have been narrowly defined as 'AI and computers,' and entrepreneurship too narrowly restricted to the start-ups of Old Street roundabout. Labour must think wider. The government needs to stimulate entrepreneurship and innovation in all sectors and in all areas – from biotech to bakeries and from Cambridge to Cramlington.

This paper sets out five proposals that the new government should implement to achieve this. All too often, policy discussions dilute into well-meaning but vacuous box-ticking. It's easy – and intellectually enjoyable – to discuss, deliberate, and decide on policy, but far harder to follow through and deliver tangible benefits to people's lives. These policies are rigorously informed by the latter – they aim to use innovation, entrepreneurship, and technology to spark growth and pull in investment to every part of the country, making everyone, not just a few, better off.

## Proposal 1 - Expand the UK's 'Golden Triangle'

The 'golden triangle' between Oxford, Cambridge, and London has proven particularly fertile ground for innovation and entrepreneurship. This success must now be replicated in the UK at large.

The government must do more to encourage the private sector to engage with a broader selection of UK universities. Spin-outs often stay close to their home institutions, bringing jobs and investment to these areas, and the government can use them to deliver on its mission of a more equitable and broad-based form of economic growth.

Easy and cheap starting points for innovation and entrepreneurship will be to fund research and development and provide regional start-up grants, and management advice. The Help to Grow programme is a good starting point here, but any initiative will have to be more active than just being an online information source.

Government must be active in bringing coherence across the business start-up and growth ecosystem, including ensuring close collaboration between business and Metropolitan Mayors to develop more regional innovation frameworks like the West Yorkshire Investment Zone and encourage projects like Northern Gritstone and Midlands Mindforge. There will be few faster ways to signal the government's commitment to economic growth across the entirety of the country than creating hubs of innovation and entrepreneurship in areas long overlooked by the private sector.

## Proposal 2 - Integrate entrepreneurship into secondary schools

60% of the country's students enter work after secondary school – we cannot kickstart growth without them. Starting a business does not, and should not, need university-level research or expertise, but all too often these students believe that it does.

Students must leave secondary school with the necessary skills and knowledge to start a business – such as registering a company, getting a bank account and starting to trade. This includes practical course content but can also go far beyond these important but distracting tasks. We should be educating students about the actual entrepreneurial opportunities that are out there.

Many students never think about starting a business simply because they don't understand that this is an option available to them. Schools must partner with local businesses and entrepreneurs to explain these opportunities, building relationships with students, offering workshops and talks, and opening up secondary schools to entrepreneurship. This type of innovation in the education and skills sector is the ideal task for Labour's newly formed Skills England.

## Proposal 3 - Retain more overseas STEM graduates

STEM graduates in UK universities produce a significant amount of pioneering and potentially commercialisable research – however, much of this research is then brought to market elsewhere. The UK must start monetising its investment in these students by ensuring their skills and talent stay in the country.

Economically self-harming policies from the previous Conservative administration such as raising the minimum salary for a visa to £38,700 from £26,200, have also repelled overseas STEM graduates from coming in and plugging the gap, undermining UK tech and innovation.

Retaining this valuable subset of graduates must be balanced with immigration numbers at large, but to power innovation and entrepreneurship, we need to attract the brightest and best. Labour's recent rejection of any notion of joining an EU youth mobility scheme was a step in the wrong direction.

Instead of a two-year post-study work visa, we should offer STEM graduates a 10-year visa to keep their skills in the economy. The government must also work harder to reopen the vital Erasmus+ scheme, which was a magnet for talented overseas graduates. The UK can't afford to shun these vital students anymore.

## Proposal 4 - Reform Innovate UK

Innovate UK is a government-funded agency aiming to support commercialised research and business-led innovation. It's a good idea, but badly executed.

The grant system is too complicated and archaic – to the point that there's now an industry of third-party consultants feeding off it, taking a slice of the grants for filing applications. It also doesn't provide the same level of hands-on experience offered by private venture capital with seasoned entrepreneurs who have brought an idea to market, operationalised it, and scaled it.

Innovate UK should be transformed into an investment, incubation, and acceleration vehicle, whilst remaining mandated and informed by the public interest. Not only would it become self-sufficient, but it would have some of the deepest pockets for a vehicle of that kind, enabling it to make some transformative investments and bring more of the UK's pioneering research to market.

## Proposal 5 - Introduce delivery boards

UK policy for innovation, entrepreneurship, and technology is often on the government agenda. Where we have consistently fallen short, is in turning policy into the tangible delivery of economic growth.

Labour's commitment to 'mission-delivery boards,' and the introduction of a policy-delivery unit are encouraging plans to start turning policy into growth.

Labour has done well handpicking industry experts to come into the ranks of government. They must do the same for the delivery boards, ensuring they're full of industry veterans with proven expertise, but they can also do more to bring in more 'entrepreneurial' experts who aren't necessarily the heads of large corporations.

The delivery boards should sit across all the relevant departments and have genuine authority to make changes and influence direction. In their day-to-day lives, ministers can get bogged down in the minutiae of governing – these boards can serve as a vital corrective, ensuring that policy is always laser-focused on delivering long-term tangible impact.

## Conclusion

For too many years and for too many people in the UK, 'economic growth' has been a meaningless phrase. It's been the preserve of just a few industries and the terrain of just a few areas of the country. People are right to be suspicious of the claim that growth will trickle down from London's Square Mile to the rest of the country.

The government must deliver growth that works for all — and innovation, entrepreneurship, and technology are the tools that they can use to power this nationwide economic revival.

This paper has provided five proposals that can bolster the UK's strength in innovation, entrepreneurship, and technology, and use it to kickstart a period of economic growth. And there are plenty more beyond the scope of just this paper. The government would be remiss not to use them as levers of change to ensure a step change in the growth prospects for the UK and all its citizens.