

The new look DTI Business and Innovation Support

Peter Concannon, Construction Research Manager, DTI, writes about the new funding instruments from the Department

The Department of Trade & Industry's (DTI) role is to drive up UK productivity and competitiveness to help build prosperity for all UK citizens. A key part of the Department's work to deliver this involves providing support to the businesses that help to generate the UK's wealth. That support might include grants, loan guarantees and other forms of support which enhance and encourage innovation, enterprise, best practice, investment and skills.

The recent DTI Business Support Review – which involved consultations with business, customers and employees – showed us that in the past our business support activities have been piecemeal, uncoordinated and without a clear focus. At the end of 2001 DTI began its Business Support Transformation Programme aimed at changing this. The results of this transformation programme provides sharply focused, high quality business support by making strategic investments in areas where evidence shows:

- We can make a real difference to UK productivity and competitiveness;
- The market has failed to provide solutions to business needs.

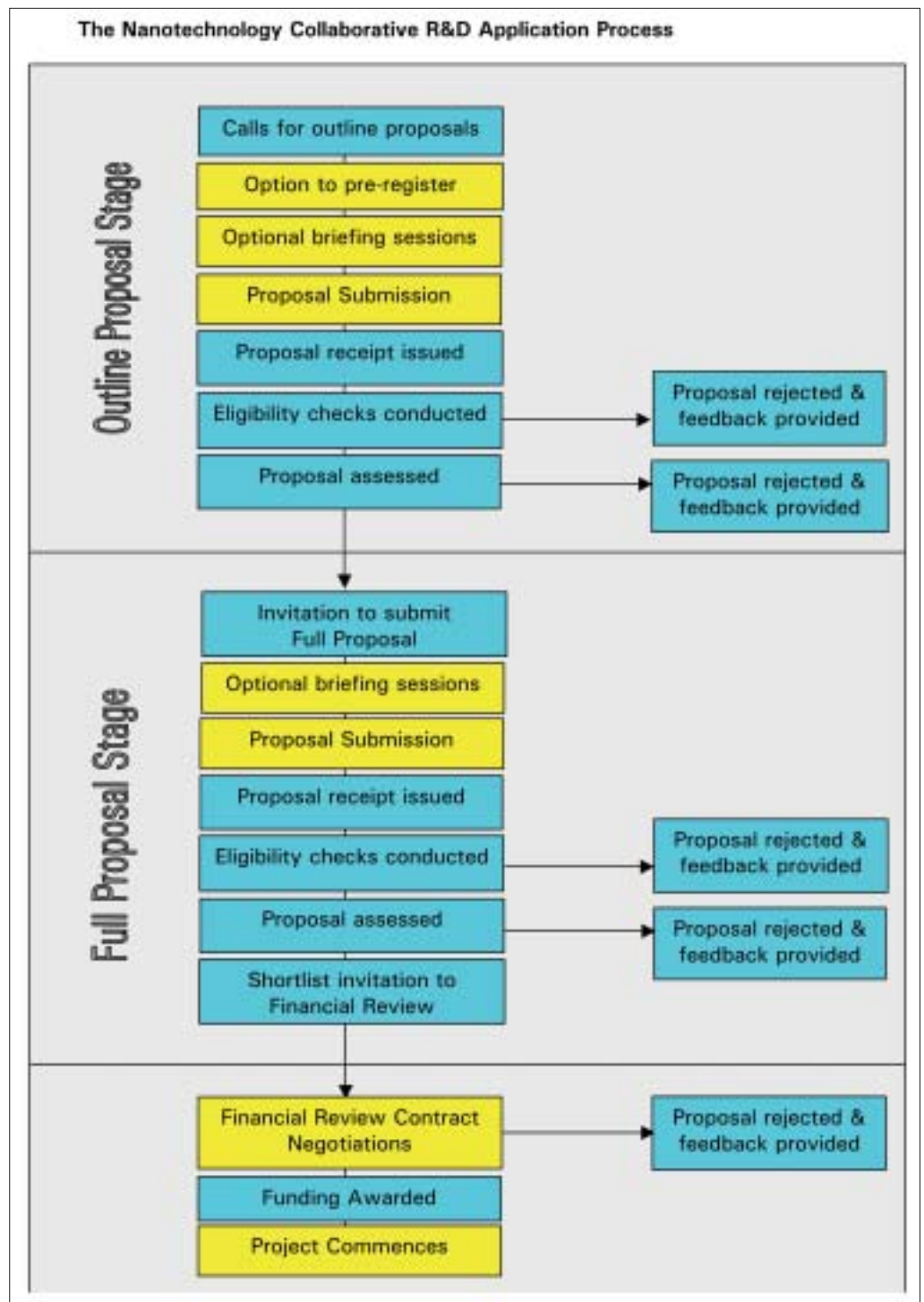
Information on the changes to business support is on the DTI web site: (www.dti.gov.uk/for_business_support.html).

Alongside Business Support Transformation, the Secretary of State for Trade & Industry ordered the Innovation Review to set in motion a series of measures to stimulate innovation and continuously increase value added. The Review has provided direction to the design of business support products and complements the Lambert Review of University-Business links, as well as the cross-Government Skills Strategy. The results of the review were published in the Innovation Report in December 2003 (www.technology.gov.uk).

The report shows that the UK has an excellent science, engineering and technology base and leading companies have good higher education links; however, evidence suggests that many British businesses do not invest enough in R&D or new technology. To support business in this, the DTI will develop a Technology

Strategy and implement this through a Technology Programme underpinned by a sustained funding commitment, initially £150M over the next 3 years.

A Technology Strategy Board will be appointed to develop the Technology Strategy. The Board will be comprised mainly of senior business representatives and will identify technology priorities critical to the growth of the UK economy, matching business needs with what science has to offer. Businesses and other interested organisations will be able to provide input to assist in the development of the strategy through industrial associations, networks and groups such as the CBI, EEF, Information Age Partnership and DTI sponsored Innovation and Growth Teams.



New Business Support products

One of the major changes resulting from the Business Transformation Programme is the replacement of more than 100 business support schemes with just 10 new ones.

These 10 products, a blend of the best of the old with the new, are presented under clear customer facing themes. They sit alongside other offerings from related organisations, such as the support for exporters from UK Trade and Investment, and services and schemes from other Government Departments and other business support providers. This will make the overall experience more responsive to customer needs.

Four of these new products are already operating:

- *Grant for investigating an innovative idea.* Helps business with the cost of external experts to explore an innovative idea.
- *Grant for research and development.* Helps business with the cost of researching and developing a new product, process or service.
- *Knowledge Transfer Partnerships.* Help business to partner with a university, college or research organisation to bring knowledge and expertise by the transfer of people.
- *Small Firms Loan Guarantee.* A guarantee to help small firms to access loans from banks and other lenders.

Five new schemes come on line in April 2004:

- *Support for investment in Assisted Areas.* This will support productive investments by businesses in the Assisted Areas so as to contribute to their sustainable growth.
- *Support to disseminate new and existing best practice to businesses.* This product represents the first half of the best practice support product mix and is intended to help identify, validate and disseminate emerging best practice to business.
- *Support for business to implement best practice activities.* This product repre-

sents the second half of the best practice mix and is intended to help business move from awareness to implementation of best practice through subsidised consultancy.

- *Support for Knowledge Transfer Networks.* This will improve the UK's innovation performance by increasing the breadth and depth of knowledge transfer into UK businesses. This type of support will form one element of the Technology Programme. The DTI will announce a call for applications for networks in April and October each year in key technology areas determined by the Technology Strategy.

There are 3 types of networks that may appear in the call:

- *Managed networks.* These are outreach-based networks designed to help UK businesses explore and exploit national and global developments in strategic technologies, and actively involving a mix of businesses, science and technology (S&T) partners, intermediaries and organisations (such as Trade Associations and professional institutes);
- *Information networks.* These are dissemination-based networks, typically using interactive web-based technology, designed to help businesses fill in the information gaps that exist between the UK's science, engineering and technology base and businesses; and
- *Issues networks.* These are problem-solving networks designed to help businesses respond to new and emerging opportunities, drawing on knowledge and information within the UK's science, engineering and technology base.

Networks will be supported through a grant to a chosen intermediary, typically an academic partner or research technology organisation (RTO).

- *Support for collaborative research and development.* This will support collaborative R&D programmes in priority areas of science and technology, and

will form another element of the Technology Programme.

The DTI will announce a call for applications for Collaborative R&D in April and October each year in key technology areas determined by the Technology Strategy.

Most support and effort will be aimed at promoting basic technology and industrial applied research that will bring together businesses across industry sectors, and/or the research community. Projects will range from 6 months to 5 years in duration.

Support will take the form of grants to cover a proportion of the direct costs of industrial participants, as prescribed by EU State Aid rules for R&D. In the future the DTI seek to work with Research Councils and other government departments to co-fund such collaborations, while international collaborations will be supported through EUREKA, the European Framework Programme.

The first call under the new Collaborative R&D product was announced on 28 January 2004 in Micro and Nanotechnology. This will be followed by a call in other technical areas on 26 April 2004, with a further call in October 2004.

The key features of the nanotechnology call are:

- Projects will need to involve two or more partners, lead by an industrial partner.
- The application process is in two stages, via an electronic application form.
- Applications will be independently assessed based on a known set of criteria.

This process is likely to form the blueprint for the later calls and more details can be found at www.dti.gov.uk/nanotechnology.

- Further details about existing and new support schemes can be found on the Business Link website at www.businesslink.gov.uk.



*The President of the Institution of Structural Engineers
Professor David Nethercot B.Sc (Eng) Ph.D D.Sc F.R.Eng F.I.Struct.E F.I.C.E
requests the honour of your company at the*

*Annual Dinner
on Friday 14 May 2004
at the Guildhall, City of London*

For details, contact Keeley Scott at IStructE, 11 Upper Belgrave Street, London, SW1X 8BH
T +44(0)20 7235 4535 • F +44(0)20 7235 4294 • scott@istructe.org.uk • www.istructe.org.uk/annualdinner