Safeguarding the future through collaboration and coordination

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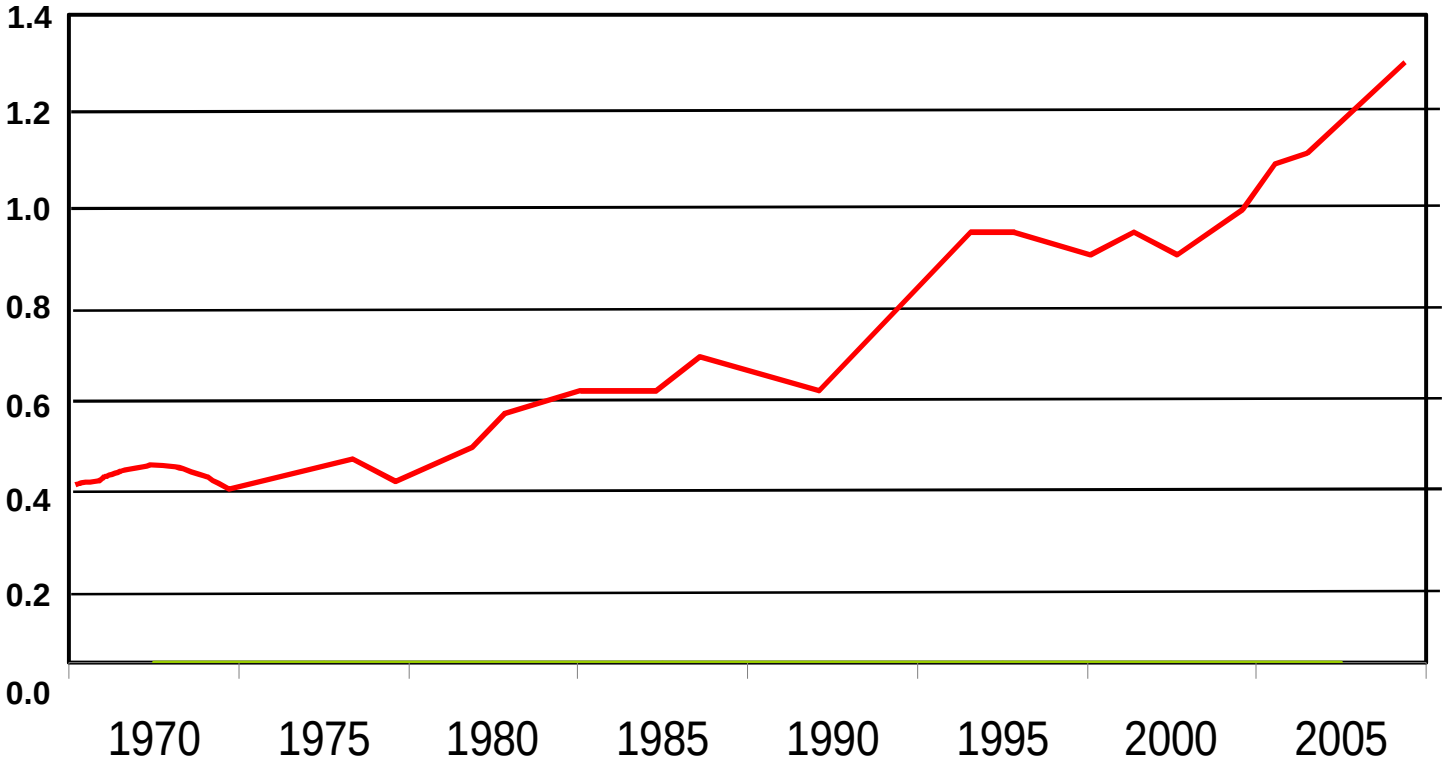
Context:
A Changing Economy

Business Investment in Intangible Assets

ratio of investment in tangible assets (machines, buildings) to intangible assets (R&D, software, design and development, human and organisational capital)
Source: HMT Economic Working Paper No.1, October 2007.



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More jobs in knowledge based services 1978-2007

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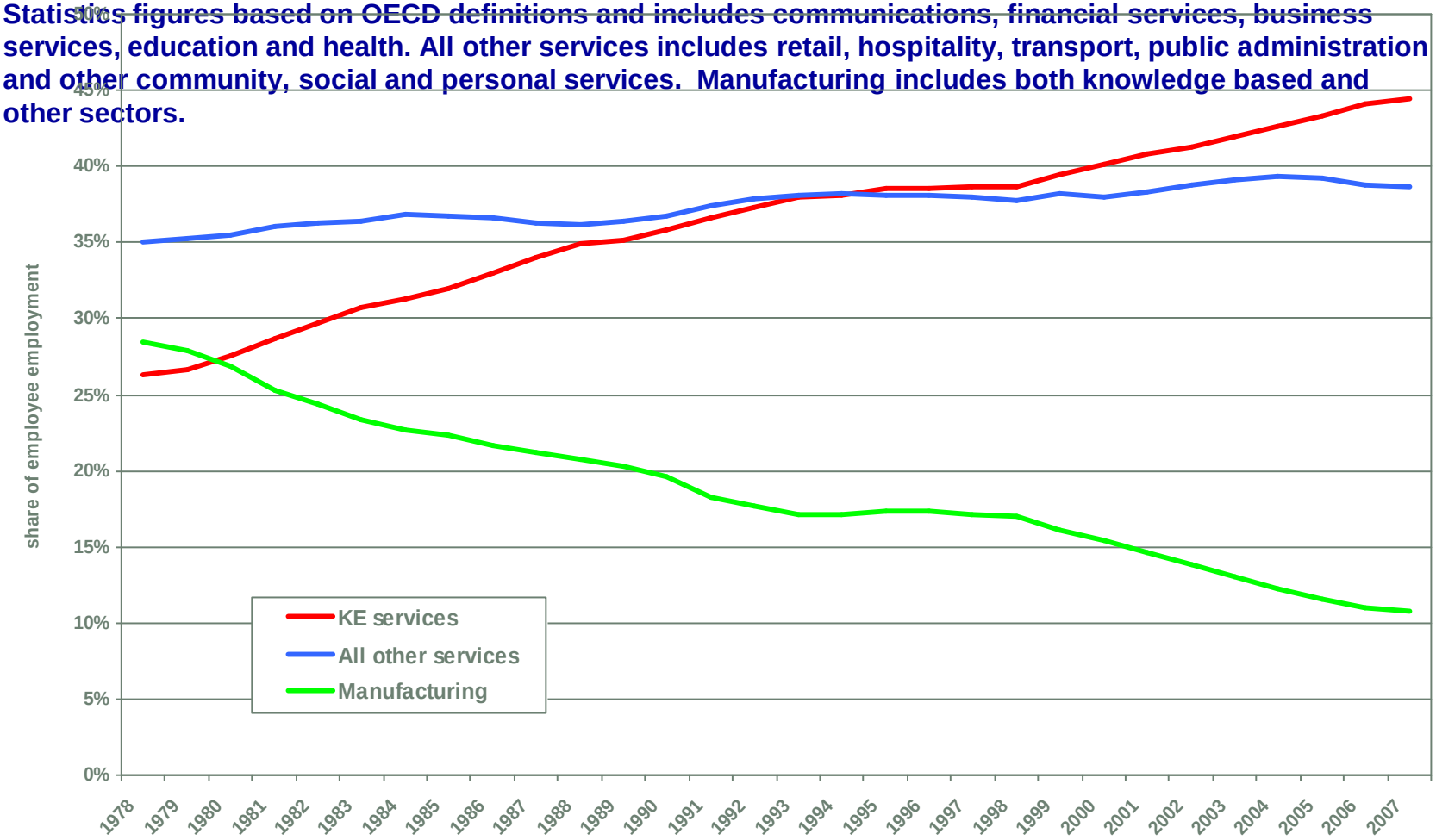
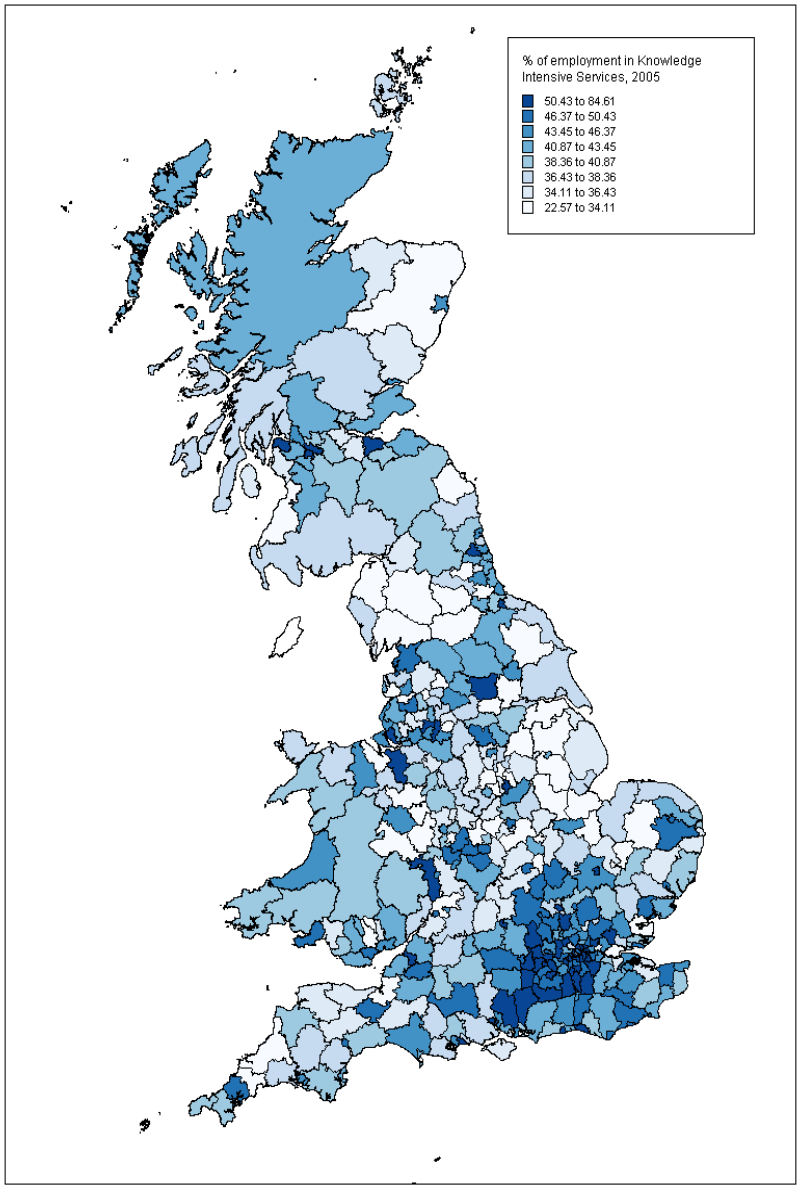
share of employees in employment, GB. Knowledge based services WF estimates from Office for National Statistics figures based on OECD definitions and includes communications, financial services, business services, education and health. All other services includes retail, hospitality, transport, public administration and other community, social and personal services. Manufacturing includes both knowledge based and other sectors.



The Geography of Great Britain's Knowledge E



% Employment in knowledge-intensive services, 2006

Eurostat definition of knowledge intensive services includes: communications, computer services, other business services, financial services and health and education services.

Impact of the recession

Impact of the recession on the UK's knowledge economy

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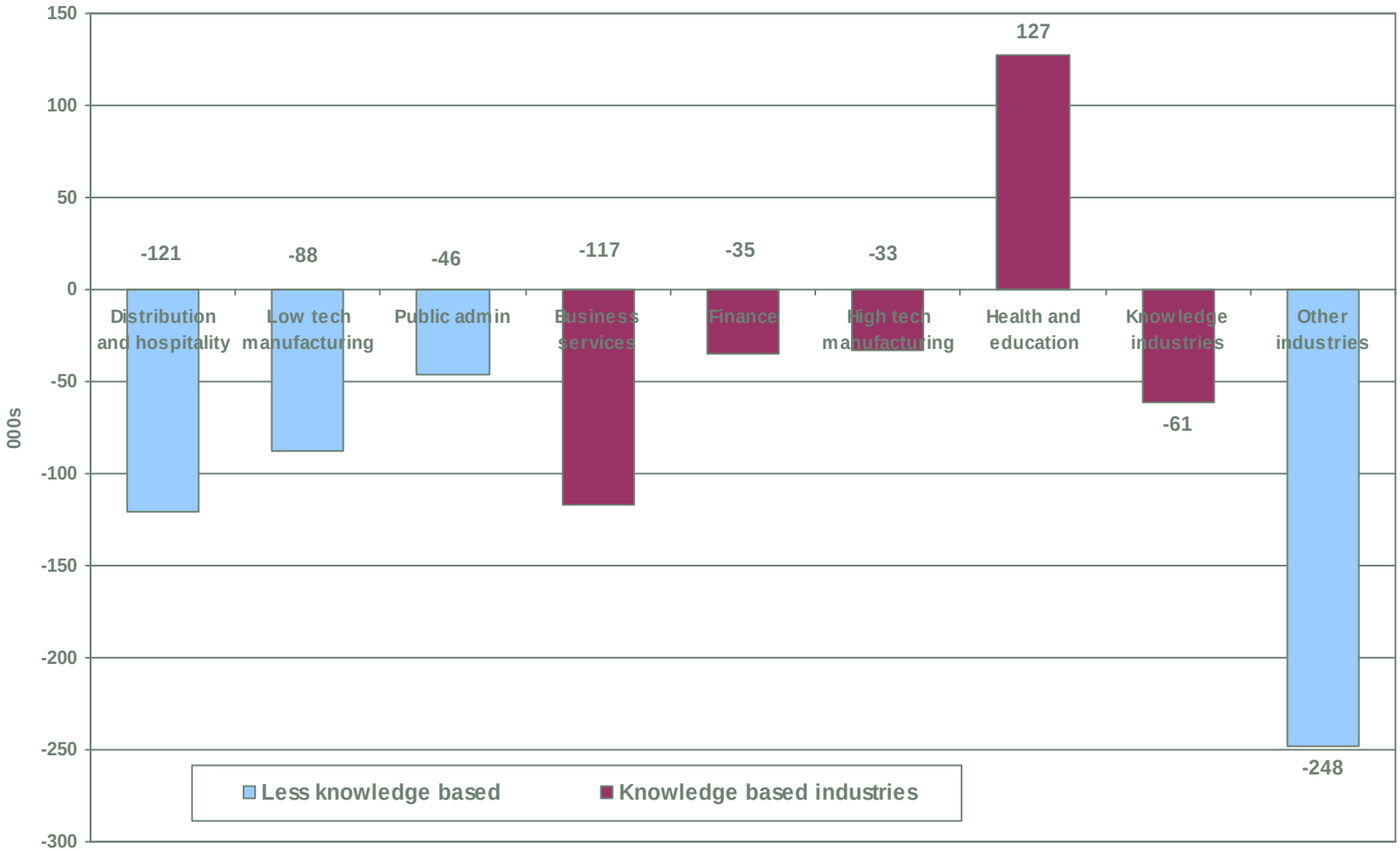
Note: Totals include sectors not shown in the chart. All figures GB employees, seasonally adjusted Dec 2007 to Dec 2008. OECD definitions of high tech and knowledge based industry.



A recession of the North, Midlands and Wales

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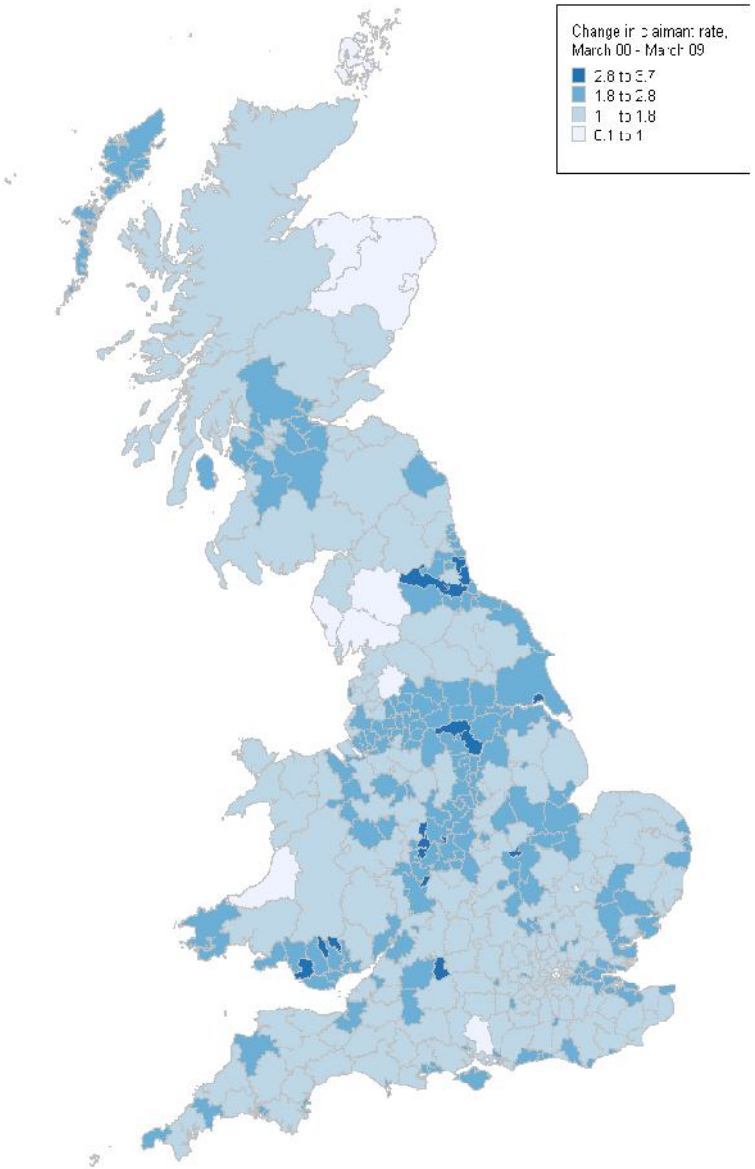

Highest increases in:

- Blaenau Gwent, Wales
- Swindon, South West
- Cannock Chase, West Midlands
- Corby, East Midlands
- Kingston upon Hull, Yorkshire

Also significant rises in the core cities outside London

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Safeguarding the future

Knowledge and Innovation key to recovery

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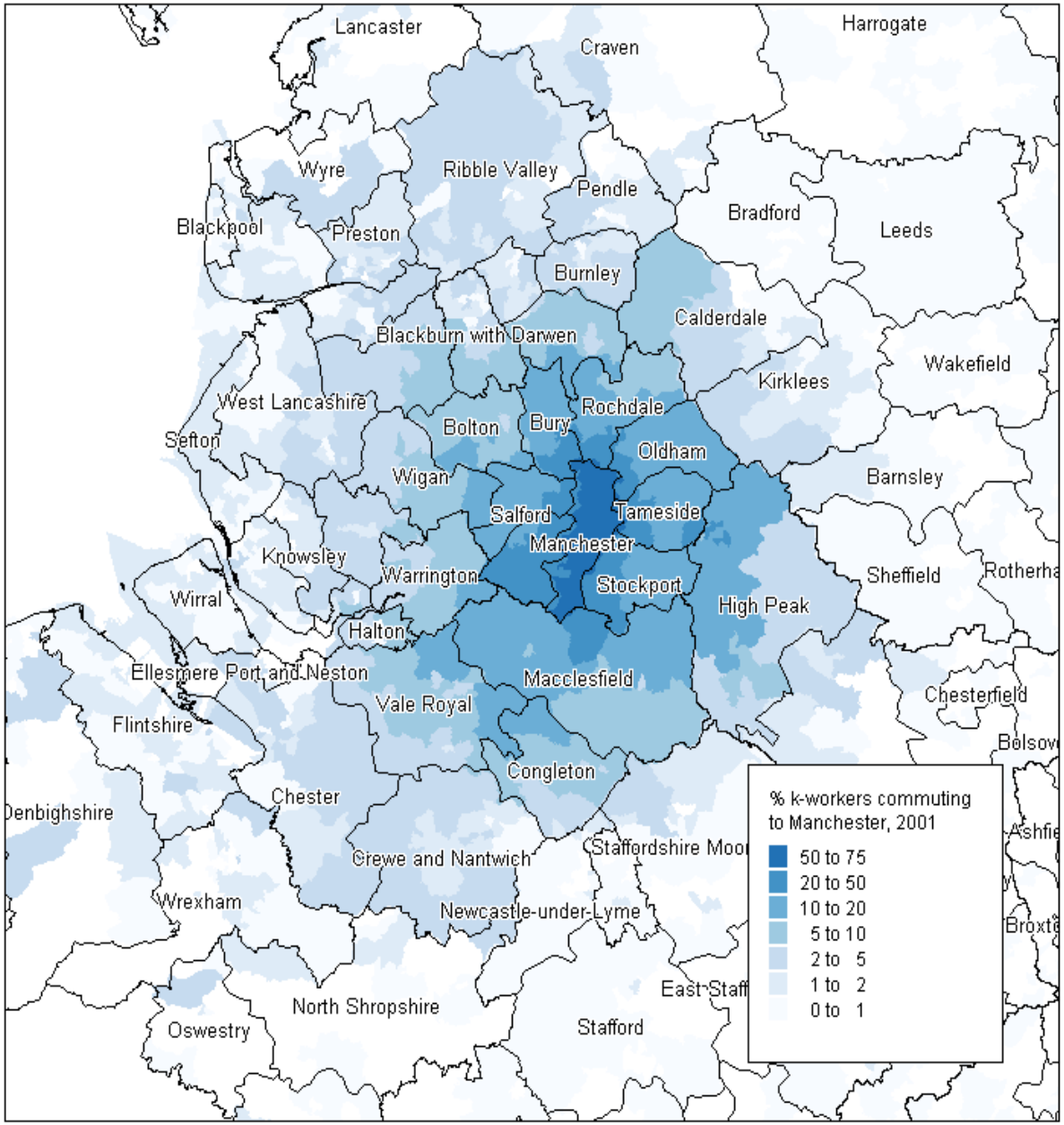
- Growing as proportion of GDP in all western and advanced Asian economies
- Driver One: new technologies, especially GPTs, transform production processes, and create new business models.
- Driver Two: shift in demand towards higher value added, experiential services and tech based goods as consumers have become more sophisticated and diversified.
- Increase in collective consumption of health and education services and business to business transactions
- Globalisation: acting as an accelerator of change on both drivers.
- Cities offer critical mass of anchor institutions, consumers & skills



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Future innovation will be in cities

Manchester City Region Knowledge Worker Commuting Patterns (ward level)

Source: Northern Way & CLG, forthcoming

Collaboration Framework

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Impetus: E.g. external funding; perceived need; economic problems / opportunities; external pressure. Must be established internally if it is not there externally – creating the 'why'.

Trust: Build trust by meeting regularly, discussing common issues and challenges, starting to identify potential opportunities. Building professional relationships is important for the next stage.

Strategy: Agree the partnership focus based on assessment of the area's strengths and weaknesses and review of opportunities (e.g. funding). Managing expectations about objectives and timescales.

Practice: Identify specific projects and individuals who can help make them happen, ideally ensuring that there are representatives from across the collaboration to ensure buy-in.

Evaluate: Keep reviewing how it is progressing – this can be informal or formal, depending on the stage of the collaboration, but should mean reviewing the impetus and how that is developing looking at trust, strategy and practice.

Conclusions

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- Economy changing rapidly and knowledge will be increasingly important
- Innovation vital to future success of cities
- Collaboration across administrative boundaries increases critical mass and responds to changing market
- Coordination can increase efficiency and effectiveness, and enhance opportunities for innovation
- BUT need to focus on shared objectives for collaboration and coordination to work