



Northumbria University is one of the Northern Accelerator partnership universities.

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## North East academic entrepreneurs set for £1.7m funding boost

North East university partnership Northern Accelerator has launched a new £1.7m [seed investment fund](#) that aims to grow the region's economy, building on its successful record of creating innovative spin-out businesses.

The Seed Investment Fund, managed by [Northstar Ventures](#), will complete its first deals in the next two months, and will see further funding allocated over a 12-month period. The fund will make significant investments in businesses with the best commercial ideas and high growth potential in a targeted group

of sectors including healthcare, clean technology and data.

Northern Accelerator, comprised of Northumbria, Durham, Newcastle, and Sunderland Universities, translates world-class university research into commercially viable and highly investible businesses. The new fund will provide a much needed cash injection whilst creating a long-term sustainable impact on the region's economy and job creation.

The number of spin-out businesses from Northern Accelerator has more than doubled over the past year and increased fivefold since the partnership began in 2016. Based on the most recent data, this boosted growth in spin-out company creation has put the [Northern Accelerator universities](#) on a par with the golden triangle universities which are generally considered the leaders in this field.

Backed by funding from Research England's Connecting Capability Fund and the European Regional Development Fund, Northern Accelerator has transformed the university innovation eco-system, to showcase the best technologies and commercial ideas coming out of North East universities. It has developed a strong pipeline of investible businesses, both in terms of volume and quality. To date the partnership has placed 23 CEOs in spin-outs, created 28 businesses and allocated £1.8m worth of pre-incorporation funding to help 45 research projects move closer to commercialisation.

Northern Accelerator has generated strong investment demand and the seed fund will support highly scalable businesses which will be seeking both initial and further investment. There are plans for the seed investment fund to be the nucleus of a larger [venture capital based Northern Universities Fund](#), which is in the early stages of development.

Translating research into commercial activity is particularly important at a time when the region's economy is under pressure in the wake of COVID-19.

Professor Andrew Wathey CBE, Vice-Chancellor and Chief Executive of Northumbria University, said: "The launch of the Seed Investment Fund comes at a key time for the North East's economy and its potential for future growth. Northumbria University's research volume and quality have grown very substantially in recent years, and through this fund can be harnessed visibly and in new ways for the good of the North East and beyond."

Recent studies have predicted that the region will be the hardest hit by the COVID-19 economic aftershock whilst experiencing one of the slowest recoveries. Chancellor of the Exchequer Rishi Sunak recently highlighted the vital role research-based start-ups and innovation will have to play in spearheading our economic recovery from the coronavirus, and Northern Accelerator is well-placed to deliver those innovation-led start-ups in the North East.

Alice Frost, Director of Knowledge Exchange at Research England, said: “I very much welcome Northern Accelerator’s launch of a Seed Investment Fund. This is an important step along the way for a vital development in the North East that can increase commercialisation of university research and address the Government’s levelling up agenda. It demonstrates that universities are addressing key challenges in the Government’s R&D roadmap and in COVID19 economic recovery. It also highlights the importance of Research England’s Connecting Capability Fund as a driver for collaboration and success.”

Durham University Vice-Chancellor Professor Stuart Corbridge said: “The launch of the Seed Investment Fund will be a catalyst for change in the North East and builds on four years of success in converting academic innovation into successful enterprises that boost the region’s economy.

“There is a high degree of collaboration between our region’s universities and a wealth of untapped potential demonstrated in a promising pipeline of innovation that builds on our research strengths. The new fund will unlock that potential, not only impacting the economy but also allowing more of our great research and innovation to make a real-world impact.”

Newcastle University Vice-Chancellor and President, Professor Chris Day added: "Our region’s universities are converting more and more academic research and innovation into successful businesses. This is helping the economy by creating new highly-skilled jobs and drawing investment to the region. It also helps to move research from our region to make an impact around the world. The launch of the Seed Investment Fund will help to develop more viable businesses and accelerate growth."

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**For further information, please contact**



**Notes to the editor:**

**Northern Accelerator**

Northern Accelerator brings together academics and business leaders, with a host of funding and support, to form sustainable businesses that create more and better jobs. Enabled by £4.9m from Research England's Connecting Capabilities Fund, Northern Accelerator builds upon two European Regional Development Fund programmes to embed entrepreneurial business leaders into university spin-outs at the earliest stage.

The long-term vision is to deliver sustainable impact, developing an ongoing venture capital fund for university spin-outs and a vibrant community of businesses created through the programme.

The North East's universities have a strong track record of producing innovative spin-out businesses that have grown into thriving global companies such as Kromek and Applied Graphene Materials. Recent success stories of spin-outs that have flourished as a result of Northern Accelerator's help include, Atelerix and Magnitude Biosciences who secured significant funding to expand their businesses and are now operating in international markets.

**Northstar Ventures Limited**

Northstar Ventures is a venture capital and social investment firm based in the North East. We provide funding for innovative, scalable businesses and high impact social enterprises. We have been supporting entrepreneurs since 2004, seeking out strong teams with great ideas that will drive high growth, scalable businesses, and sustainable charities.

As the North East's leading early stage investor, we have invested over £100m into spin-outs, early stage businesses and high impact social enterprises in the region. Our investment managers have a wealth of experience supporting new and growing businesses and bring commercial and operational experience, PhDs and MBAs, international careers and even a micro-business or two.

## **Research England**

Research England is a council within UK Research and Innovation, which oversees UKRI's England-only functions in relation to university research and knowledge exchange (<https://re.ukri.org/>). The Connecting Capability Fund (CCF) supports university collaboration in research commercialisation.

## **European Regional Development Fund**

The project has received £982,468 of funding from the England European Regional Development Fund as part of the European Structural and Investment Funds Growth Programme 2014-2020. The Ministry of Housing, Communities and Local Government (and in London the intermediate body Greater London Authority) is the Managing Authority for European Regional Development Fund. Established by the European Union, the European Regional Development Fund helps local areas stimulate their economic development by investing in projects which will support innovation, businesses, create jobs and local community

The Northern Powerhouse is a key aspect of this Government's approach to addressing the productivity gap in the North and ensuring a stronger, more sustainable economy for all parts of the UK. Alongside over €1.5 billion of European Regional Development Fund support for businesses and communities across the North, the government has awarded £3.4 billion in three rounds of Growth Deals across the Northern Powerhouse.

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