

Local Innovation Partnership Fund (LIPF)

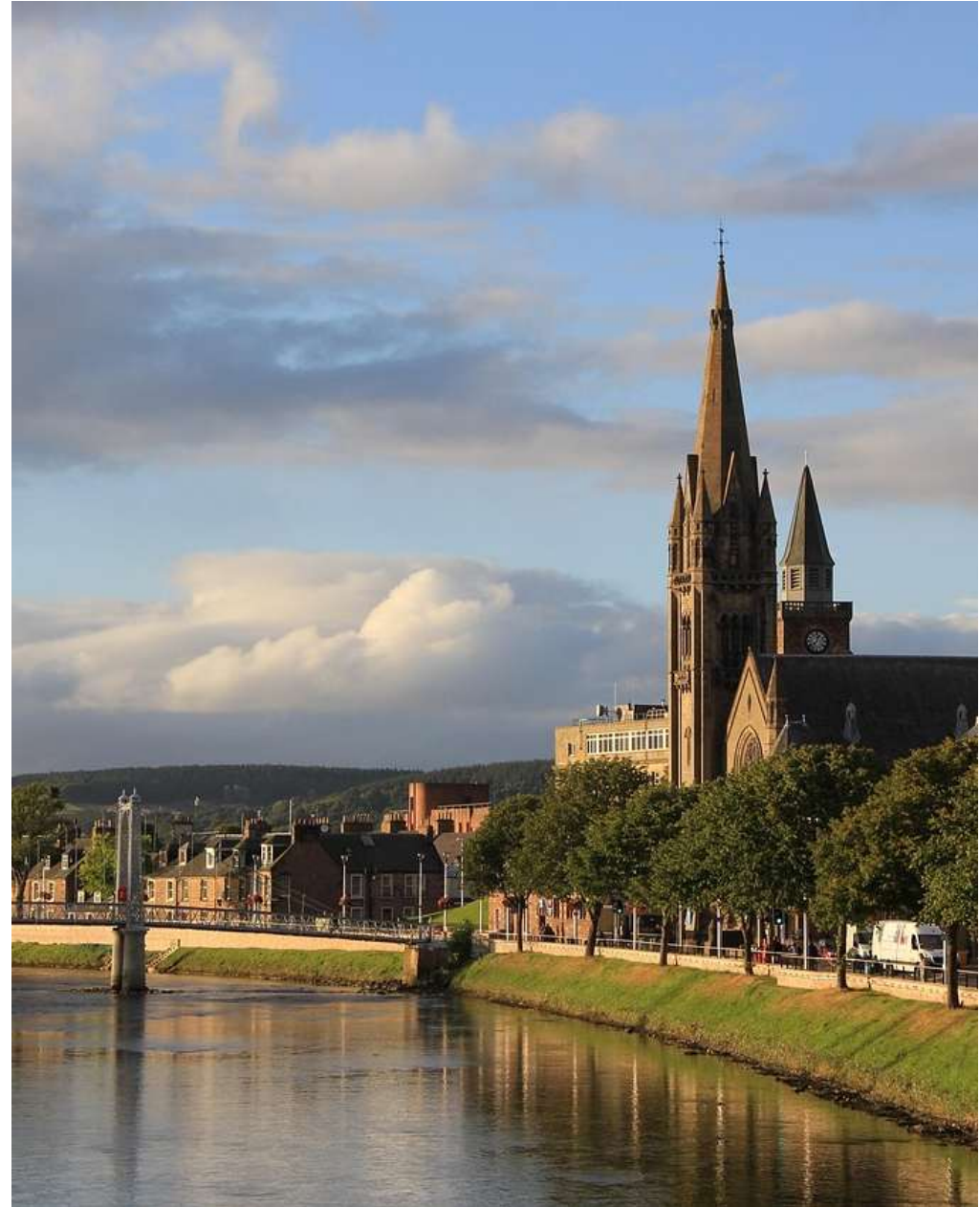
HIE Briefing Event

January 8th 2026



Agenda

1. Introductions to panellists
2. Context: An overview of the LIPF programme
3. HIE priority sectors/ clusters
4. Developing the LIPF bid (overview)
5. The project portfolio and call to action
6. Timelines
7. Questions and follow up



HIE VISION

The Highlands & Islands is a leading net zero region with a dynamic wellbeing economy, which benefits its growing population and makes a valued contribution to Scotland.

OUR PURPOSE

Build and sustain a greener, fairer and more resilient region that benefits everyone.

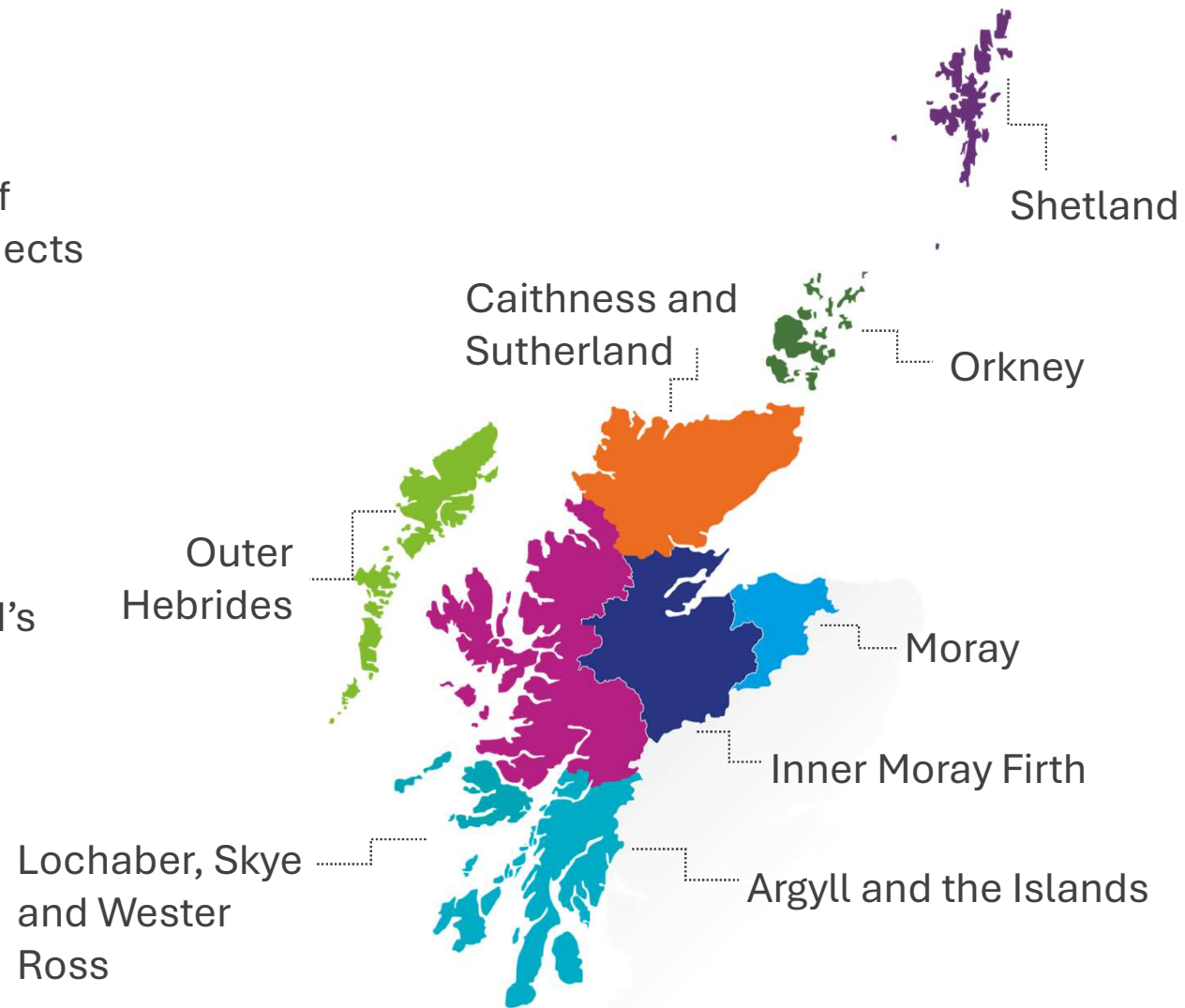
DELIVERED THROUGH INVESTMENT IN:

People
Place
Planet
Prosperity

What we do

We have 60 years' experience of delivering transformational projects and programmes to develop businesses and communities.

Our eight area teams provide local knowledge and service delivery in every part of the region, including all of Scotland's inhabited islands.



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

LIPF overview and summary

Purpose: LIPF is a UKRI-led programme investing up to £500 million to **develop and scale high-potential innovation clusters** across UK.

Objectives: Drive economic growth, build innovation capacity, and create internationally competitive clusters.

Focus: Supports near-to-market research and innovation with **strong commercial potential**, not early-stage or blue-sky research.

Eligible Activities: Includes research commercialisation, technology adoption, business growth, translational R&D, cluster development, skills development, R&D infrastructure, knowledge exchange, seed corn funding, & attracting overseas investment.

Timescale: LIPF will invest from **2026 to 2031**

Match: Private sector match of **1:1** during delivery.

Supports governance that involves local triple helix partnerships and **locally empowered decision making**

Earmarked Strand

At least **£30m** directly allocated

10 places selected: Manchester, London, North East, South Yorkshire, West Midlands, West Yorkshire, Glasgow, Cardiff, and Belfast-Londonderry corridor.

Competed Strand

Up to **£20m** for a successful competitive bid

Expect circa 10 places to be successful

LIPF objectives and outcomes

Increase economic growth from innovation across the UK by:

- Contributing to national strategic priorities or UK strategic objectives (e.g., Industrial Strategy)
- Leveraging private investment

Increase innovation capacity and capability through:

- New products, services and processes
- Spin-out companies
- New or improved local R&D, innovation infrastructure and ecosystem
- More high-quality jobs
- Stronger talent base and supply chains
- Strong local triple helix partnerships and networks
- Aligning innovation priorities and other local levers



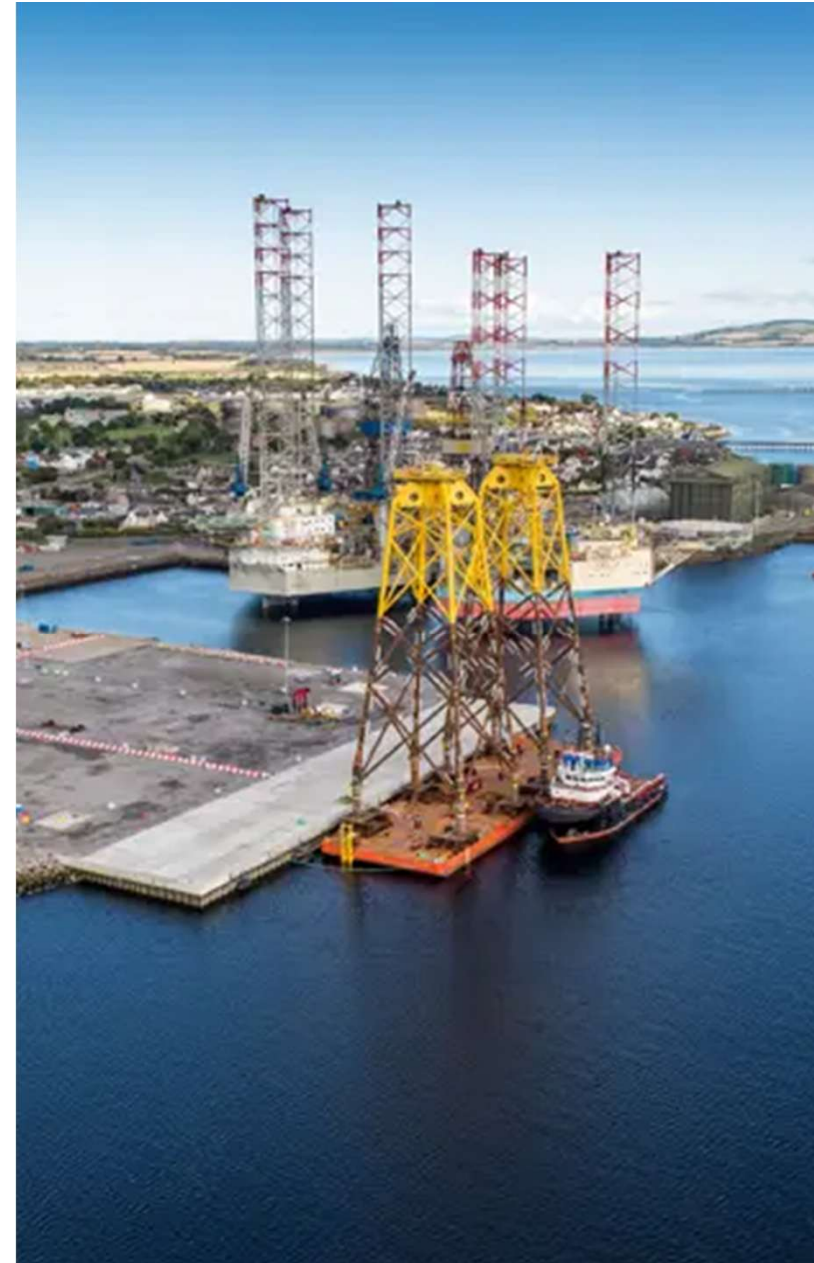
LIPF objectives and outcomes

Clusters should:

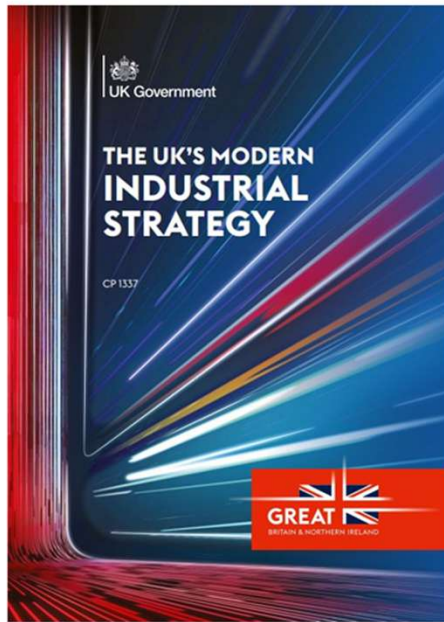
- Have a clear functional economic geography
- Reflect a localized concentration of innovation assets, firms and capabilities

The fund should:

- Build critical mass and deliver impact at scale in the clusters
- Increase international competitive advantage striving to drive inward investment and cluster growth
- Integrate existing investments and policy levers to maximise the benefits



National policy context



Government mission aims to secure the *highest sustained economic growth* in the G7.



Local Innovation Partnership Fund (LIPF)

- **Foster innovation-led growth across the UK** through the Local Innovation Partnerships Fund, which will **grow our high-potential innovation clusters**.
- The fund aims to generate £1 billion of **co-investment** and £700 million of additional value to local economies, including through **new jobs, products & services**.



Local policy context



Support Highlands & Islands **priority sectors** where we have unique strengths and high growth potential

Clean blue energy systems

In this **priority sector**, selected examples of key areas for innovation activity:

- Floating wind turbines – cost reduction, development, deployment and operation/ maintenance for deep waters
- Bottom-fixed wind turbines - cost reduction, reliability, larger structures, adaptation to new sites
- Marine Energy including both Tidal & Wave systems
- Re-purposing hydrocarbon fuels infrastructure
- Green hydrogen production and storage (to store energy generated from renewables and provide route to market)

Includes “before the meter” use of energy to overcome problems with grid connections



Sustainable aquaculture

In this **priority sector**, selected examples of key areas for innovation activity:

- Fin fish
- Algae (seaweed and micro-algae)
- Shellfish

Scope includes production and processing systems for the above. Synergies with clean blue energy infrastructure would be encouraged

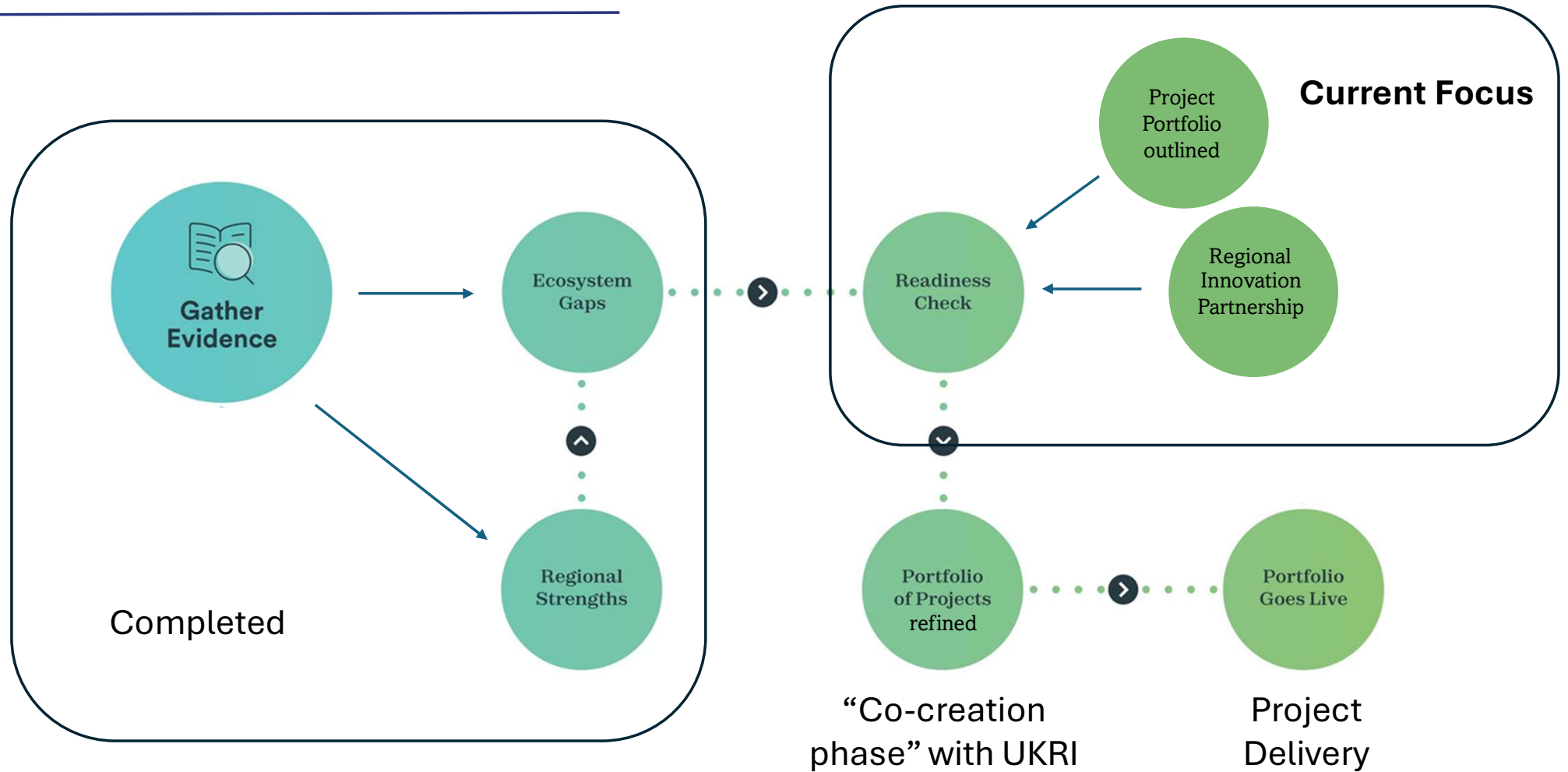
Onshore recirculation aquaculture (RAS) and floating closed system aquaculture (CSA) is within scope

Marine biotechnology and processing is also within scope

Image: HIE – Dave Donaldson



Developing the LIPF bid



Projects – who can apply?

Applicants should be based (or economically active) in the Highlands & Islands region

We invite expressions of interest in R&D/ technology projects that can be deployed in, and for, the H&I region from:

- Research organisations/ universities with translational R&D capabilities
- Businesses with growth potential
- Businesses planning to invest in the region to build or extend facilities, install new advanced equipment, or develop new products and services

Organisations outside of our region are encouraged to propose projects which invest in the priority sectors within the region

Project activity must be delivered within the Highlands & Islands region

Projects – regional priorities

Projects must be in one, or both, of the priority sectors:


- Clean blue energy systems
- Sustainable aquaculture

Projects should:

- Preferably be large scale and collaborative
- Drive sustainable economic growth
- Deliver positive impact at scale
- Build long-lasting innovation capacity in the Highlands & Islands region



We welcome
projects that wish
to deliver growth
through innovative
technologies



Robotics and autonomous systems
Data analytics and AI
Space science
Sensors and monitoring technologies

Projects – eligible activities

The LIPF is designed to support a broad range of research and development (R&D) activities that accelerate the conversion of research excellence into new products, services or technologies that deliver impact by increasing productivity, attracting investment, and creating high-value jobs

Discovery or ‘blue sky’ research is excluded, but there is otherwise broad flexibility on what can be supported

A non-exhaustive list of eligible activities for funding is set out overleaf

To qualify, projects must meet the criteria on eligible activities and demonstrate how they both support their priority clusters and deliver LIPF outcomes

ACTIVITY	DESCRIPTION
Research commercialisation	Technology transfer to industry; new product development; industry collaboration; securing patents, copyrights, or trademarks for research.
Adoption and diffusion of new technologies	Support for approaches that enable the adoption and diffusion of cutting-edge / cross-cutting technologies by businesses including enabling access to innovation assets and collaborative R&D with industry.
Business growth / development initiatives	Support for high growth SMEs and spinouts to boost company growth, including access to private finance to support local scaling.
Translational R&D	Collaborative R&D with strong industrial outcomes, including partnerships between businesses and the research base.
Cluster development, networking and leadership	Sharing and embedding best practice, including collaboration agreements which enable subject matter experts to share knowledge, develop skills and solutions, and attract investment.
Talent and skills development	Support for research fellowships and knowledge transfer partnerships which are strongly focused on building collaborative relationships between research organisations and businesses.
R&D infrastructure	Including investment into scale-up infrastructure and equipment critical for building capabilities of the innovation ecosystem. Proposals for new 'centres' will be evaluated on the basis of future sustainability
Knowledge exchange and R&I networking	Activities that strengthen and build relationships between stakeholders across research and innovation.
Seed corn funding	Operational or early-stage funding that build on existing cluster strengths, building resilience of the business base by supporting technology adoption and support growth of the cluster.
Access to / attracting overseas business and investment	Activities including collaborative research, business relocation, and growing local supply chains. Programme funding for non-UK businesses will only be eligible if a clear case is made for how it will anchor business activity in the UK with demonstrable local benefits.



Support for a broad range of activities

Projects – eligible costs and funding

As the programme uses standard CDEL R&D funding*, both capital and operational costs can be supported, with no specific split required

Project costs should be estimated to cover all resources used to deliver the project, including staff and other key inputs

Project funding should clearly show the LIPF grant request and the private sector co-investment being offered. Outline budgets will be required at this EOI stage

Further guidance on eligible co-investment is provided [here](#).

- Co-investment ratio should be minimum 2:1 for the private : public funding
- Co-investment ratio of greater than 3:1 (private : public) will be more highly favoured

* Further details on what constitutes R&D expenditure can be found in [Annex C of the HMT budgeting guidance](#), specifically the ESA10 definition and the five criteria designed to help identify R&D

Projects – impacts

All projects must be delivered within the five-year LIPF timescale (from Sept 2026 onwards)

Each project must be clearly justified based on its proposed impact – both outputs (from the project) and outcomes (within 2-5 years)

Expected benefits might include new products, services, spin-out companies, high-value jobs created and further private investment secured

Proposed benefits should reflect a realistic geographical scope which can extend beyond the functional geography of the cluster

Recognising that some benefits will not materialise within the five-year period, Regional Innovation Partnerships are required to report on their projects for seven years

Timeline



The indicative “project portfolio” is developed between now and early February 2026.

This is the CALL to ACTION

[Access the EOI form here](#)

Please complete the EOI by 21 January 2026

The final “project portfolio” will be:

- co-created with UKRI (April-June 2026)
- submitted for quality assurance
- finalised by the Regional Innovation Partnership (Aug 2026)
- commence delivery from Sept 2026

Thank you

January 8th 2026

For any follow-up questions:

Contact Highlands & Islands Enterprise

Email: enquiries@hient.co.uk

Message subject: LIPF

