

Towards a Smart Specialisation Advisory Hub

Initial proposition consultation paper (Aug, 2014)

Executive Summary

Government has announced its intention to establish a Smart Specialisation Advisory Hub (S3AH). This is intended to support effective design, delivery and alignment of EU, national and local Research and Innovation (R&I) policies (especially those that are EU structural and investment fund [EUSIF] co-funded). Government has asked the National Centre for Universities and Business (NCUB) to progress the design and development of the hub - and perhaps to host its establishment. This paper presents a draft statement of initial NCUB propositions on the S3AH to enable interested stakeholders to contribute to its further development.

For the UK to make the most of R&I-led growth (and EUSIF programmes), local R&I 'ecosystems' need to be able to determine and deliver well-founded priorities, well-aligned with national and EU policies and programmes. They need to embrace increasing strategic and operational collaborations both between major role players (business, public, universities etc) within their areas; with other local areas; and with relevant national and global 'partners'.

The 'smart specialisation' (S3) approach promoted by the EU Commission (e.g. in [RIS3 guidance](#)), and which has been agreed as 'ex-ante' conditionality' for incurring R&I expenditure in EUSIF 2014-20 programmes, can be a major driver of these goals. The S3AH should be established to be a significant contributor to maximising the impact of EUSIF and related programmes in pursuit of these ends.

The S3AH should, therefore, have three primary purposes. It should provide:

- an independent centre of expert advice to increase confidence at local, national and EU levels that a sensible and 'S3-compliant' approach to research and innovation-led growth is being formulated and delivered locally (especially in EUSIF co-funded programmes)
- an 'observatory' to strengthen R&I decision-makers' use of evidence for prioritisation and for improving intervention strategies; for sharing experience; building local capacity and capabilities; and disseminating 'good practice' more broadly
- an enabling facility to promote and support purposeful collaboration between major R&I role players - both within LEP areas, across LEPs, and between local, national and EU 'systems'

It's ethos and business models should be defined collaboratively by users (national and local). It should focus (as a constructive 'critical friend') on convening, signposting, brokering and supporting EUSIF and related R&I activity to assist major decision makers and delivery partners develop solutions to and tools for problems/issues; and build capacity for better R&I policies, programmes and projects.

The hub should be 'owned' by its major users (and funders), with a multi-agency Steering Committee established to shape its development and priorities - either as part of the remit of the S3 thematic group being established by the EUSIF Growth Programme Board (GPB) or tasked by them.

The three purposes require the Steering Group to establish:

- an Expert Advisory Panel, providing assistance to both national and local leadership teams on S3 dimensions of EUSIF and related programmes;
- an interactive website/observatory working with R&I communities both to provide ease of access to static and tailored data/intelligence, and to encourage exchange of experience on how to use it more effectively;
- a capacity to respond supportively to bottom-up, demand-led capacity building initiatives.

These capabilities should be supported in the first instance by a three person Executive, ideally embedded within an existing organisation like NCUB.

A credible hub can expect to generate expenditure of +/-£500,000 pa for an initial three year period, and provide considerable assurance and momentum for well-founded R&I propositions and collaborations co-funded by EUSIF and related programmes. The types of activity that could be demanded by users include:

- A virtual (on occasion actual) 'marketplace' and 'collaboratory' where business, academia, public sector, and civil society across and between national and local areas can exchange experience and knowledge on delivering effective R&I strategies and EUSIF programmes
- An annual report and high profile conference on progress in delivering England (and Devolved Administrations) S3 strategies; and consideration of the 'state of local R&I strategy formulation and implementation'
- A highly-used and valued 'observatory service' providing up-to-date evidence on R&I performance, a repository of recent reports and papers, and regular blogs and newsletters on key issues, upcoming events, opportunities etc
- A bespoke specialist advice service to users like MAs and LEP EU Management Committees appraising multiple, complex R&I-led or influenced programme and project proposals
- Collaborative pilot and capacity-building projects looking at issues of inter-LEP and shared national/local, public/business/HEI/social partner interest (e.g. see Appendix Three)

The S3AH should apply for EUSIF technical assistance co-funding, with national core funding coming from a mix of grant, potentially in-kind support, sponsorship and chargeable services.

The substantive paper below contains twelve specific questions on which NCUB would welcome your views. Consultees are requested to consider these questions, and respond to them by 30/09/14. Over the intervening period, NCUB will also seek to engage national and local stakeholders bilaterally and collectively in deliberative sessions on this paper. Thereafter we shall put final recommendations to government, with an expectation of a ministerial decision in late 2014 and establishment of the Hub from early 2015, if necessary initially in shadow form determining the outcome of any EUSIF technical assistance proposals.

Towards a Smart Specialisation Advisory Hub

Section 1: Introduction and purpose

The National Centre for Universities and Business (NCUB) has been asked by the Department for Business, Innovation and Skills (BIS) to prepare proposals for the establishment of a Smart Specialisation Advisory Hub (S3AH). To this end, NCUB has reviewed relevant documentation, held initial discussions on the concept, and tested them with two 'sounding board' roundtables with local role players (Leeds 08/07 and Bristol 14/07/14). It is our intention to produce and present a fully worked up S3AH proposition to government in Autumn 2014; for an approved entity to be agreed and launched by Ministers in late 2014 - together with an application for EUSIF technical assistance (TA) co-funding.

This paper presents an initial draft of a potential S3AH proposition (together with alternative options) for consideration and evolution over August-September 2014. Interested individuals and organisations are encouraged to respond to this draft by contacting Joe Marshall, COO, NCUB (joe.marshall@ncub.co.uk) or NCUB's advisor for this project, David Marlow (davidmarlow@thirdlifeeconomics.co.uk).

Section 2: Context

'Smart specialisation' is a strategic approach to economic growth and development through targeted support to Research and Innovation (R&I) Strategies ([RIS3](#)¹ in EU terms). This approach for identifying priorities and shaping intervention strategies has been adopted as a 'conditionality' for EUSIF 2014-20 research and innovation-based expenditure (Regulation 1303/2013).

The UK government has, therefore, presented its [S3 approach](#) for the England EUSIF programme to EU partners (at a 'peer review' exercise in Riga in February 2014). The devolved administrations (DAs) have also presented S3 strategies for peer review and feedback², as have a small number of English 'regions' (e.g. Greater Manchester and Cornwall).

England's S3 is based on a single RIS3 approach across England - embodied in national innovation, industrial and technology strategies - with strong local dimensions - embodied in the strategic economic plans (SEPs) and EUSIFs of the 39 Local Enterprise Partnerships (LEPS). The approach envisages strategic governance of S3 with a leadership board similar in character to the EUSIF Growth Programme Board (GPB); and a range of mechanisms for aligning national and local priorities. The governance approach is illustrated in the reproduced England presentation overleaf.

¹ This approach is described in greater detail in the [RIS3 Guide](#), together with accompanying updates and related documentation

² [England](#), [Scotland](#), [Wales](#) and [Northern Ireland](#) presentations are hyperlinked here

Proposed Strategic Governance of S3



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The 'Policy Mix' for R&I has also been presented to the EU Commission, and is illustrated in the slide (from the February 2014 peer review) below. The policy context for R&I involves the interplay of relevant national and LEP-led strategies; whilst R&I programmes are delivered through a mix of national 'horizontal' programmes; normally national 'competitions' tailored and delivered locally (by a mix of business, university, and local governmental role players); and locally managed and delivered programmes (which may be commissioned from either national, LEP or local partners).

The Policy Mix for Innovation

	National / Horizontal	Nationally Managed / Delivered Locally	Locally Managed/ Locally Delivered
Policies	<p>Innovation & Research Strategy for Growth</p> <p>Industrial Strategy</p> <p>Science & Innovation Strategy (pending)</p>		<p>Strategic Economic Plans</p> <p>ESIF Strategies</p> <p>LEP Innovation Strategies & Boards</p>
Programmes	<ul style="list-style-type: none"> Public Sector Research Establishments Large Scale Research Facilities Catapult Centres R & D Tax Credits R & D Tax Credits (SME) Patent Box UK Innovation Investment Fund (UKIIF) 	<ul style="list-style-type: none"> UK Research Partnership Investment Fund University Enterprise Zones Higher Education Innovation Fund HEFCE Catalyst Fund Collaborative R & D Innovation Vouchers Knowledge Technology Partnerships Launchpads SMART Knowledge Technology Networks Small Business Research Initiative (SBRi) 	<ul style="list-style-type: none"> Science Parks Innovation incubators Proof of Concept Funds (FEI) Proof of Technology Funds (FEI) Collaborative R & D Contract research Innovation Networks Public Procurement Knowledge Technology Partnerships Innovation Vouchers Social Innovation Higher Level Skills for Innovation (ESF)

Of a policy mix of 30 innovation programmes, seven are managed and delivered nationally; eleven are managed nationally and delivered locally; and twelve are managed and delivered locally. Arguably, this depiction underplays both the breadth and complexities of R&I systems

- where there are considerable R&I dimensions of 'mainstream' skills, infrastructure and enterprise support programmes and inter-relationships between them.

Recognising the complexities of different policies and programmes and the real risk of sub-optimal propositions was highlighted as an area of concern in the [Witty Review](#). Sir Andrew's report sought to place universities at the heart of both national economic growth, and at LEP determination of local 'comparative advantage' and prioritisation. In this endeavour, Witty highlighted requirements for strengthening the evidence base and usage of it for decision-making; and for incentives to increase collaboration both within and across economic geographies.

Government's [response to the Wittys Review](#)' makes an explicit commitment to assist in managing this complexity, through the establishment of a 'Smart Specialisation Advisory Hub'. They position the S3AH as having the purposes *'to gather evidence and help to improve the use of it;...share and disseminate best practice, improve connections between different partners, advise on compliance with EUSIF procedures, and support LEPs in delivering stronger collaborative propositions'*.

This paper presents an initial proposition for consultation of how to bring this ambition to fruition, and outlines the potential parameters of such a Hub.

Section 3: What should the S3AH be for?

The government RIS3 likely to be agreed with the EU commission, and their response to the Witty review, therefore, suggests a Hub with three primary purposes:-

1. To provide an independent centre of expert advice to increase confidence at EU, national and local levels that a sensible and 'S3-compliant' approach to research and innovation-led growth is being formulated and delivered locally (especially in EUSIF co-funded programmes)
2. To ensure R&I strategies are using evidence well, sharing it to develop local capacity and capabilities for effective intervention, and disseminating 'good practice' more broadly
3. To promote and support purposeful collaboration between major R&I role players - both within LEP areas, across LEPs, and between local, national and EU 'systems'

In terms of the hub's contribution to national R&I-led growth, the hub would be one (of a number of) contributor(s) to 'better local R&I-led growth interventions'; and to stronger business, HEI and other partner engagement. Table one outlines what the hub might do, and what success would look like.

Table One: Potential purposes and characteristics of the S3AH

Goals/Purposes	What might success look like?	What sort of actions might the Hub undertake?
1. To provide assurance to EU and national bodies with regards to S3 ex ante conditionality compliance and effective intervention implementation of EUSIF and related programmes [<i>i.e. government 'EUSIF compliance' goal</i>]	<ul style="list-style-type: none"> Confidence of EU Commission and national government in EUSIF and related programme management; and that local leadership teams are pursuing a clear, evidence-based process in identifying and progressing interventions, contributing to national and EU priorities 	<ul style="list-style-type: none"> Production of annual progress reports on delivery of England (and DA?) S3 strategies - received and welcomed by EU Commission, EU S3 'Platform for support', Growth Programme Board (GPB) Production of periodic advice notes in response to issues raised by NGB, Managing Authorities (MAs), LEPs, Local EU Management Committees (and constituent members?) MA/LEP/Management Committee support for appraisal of R&I propositions
2. To build the capacity, capabilities and coherence of England (and UK if DAs participate) local innovation eco-systems; and their contribution to national and Europe2020 growth goals [<i>i.e. government 'evidence and good practice' goals</i>]	<ul style="list-style-type: none"> Local research and innovation strategies being agreed and implemented effectively, making major contributions to local and national growth:- based on a strong evidence base of local comparative advantage and capabilities increasing take up of appropriate national and EU programmes developing quantity and value of strategic business-academia-public-societal collaborations 	<ul style="list-style-type: none"> Library, observatory and signposting functions to relevant intelligence and evidence bases Information, signposting, referral and brokering services to national and EU innovation and related programmes and other opportunities Dissemination and popularisation of 'good practice'
3. To develop and support purposeful collaboration between EU, national and local innovation leadership teams [<i>i.e. government 'collaborative propositions' goal</i>]	<ul style="list-style-type: none"> Increasing number of pan-LEP R&I collaborations Integrated place-based investment programmes involving both local and national agencies and funding Improved take up of EU collaborative programmes (e.g. Interreg etc) 	<ul style="list-style-type: none"> Problem-solving, capacity-building and pilot projects - national, local and perhaps EU - to develop new approaches and stimulate demand for collaboration 'Special Interest Groups' to explore key areas and remove barriers to effective collaboration

Consultation questions:

- 1. Do you agree with the purposes for the establishment of the S3AH as described above?**
- 2. Is anything missing?**
- 3. Are any of the above goals of higher priority than others?**
- 4. Do you have any comments on the 'what success might look like' and 'potential action areas' descriptions?**

Section 4: How might the Hub deliver its remit?

Initial consultations both in 2013, and as part of this exercise, articulated a modest appetite for a new organisational entity for the S3AH - and some antipathy for any entity with any 'gate-keeping' role and/or powers of compulsion. However, there is general support for arrangements to improve UK/England's performance in terms of the three purposes outlined above - and recognition that these are challenging and far-reaching. LEPs and local leadership teams, in particular, are increasingly recognising the start-up character of their innovation leadership and operational teams; the demanding challenges of EUSIF, LGF, RGF and related delivery; and the need to improve support for business, university, R&D, local authority and social partner collaboration to make the most of R&I-led growth opportunities.

NCUB, therefore, is proposing a 'light touch' Hub, focused on **convening and brokering expertise** that can **deliver solutions** to **major R&I issues** and problems **faced by users** (and funders) in delivering **EUSIF 2014-20** and related programmes. An indicative organisational architecture for achieving this is illustrated in Figure One.

Figure One: Illustrative S3AH organisational framework



The Steering Group

This is the 'Governing Body' of the hub - accountable for overseeing its development in pursuance of its goals and objectives, determining its future direction, and building an environment in which the S3AH mission and the confidence of relevant partners and stakeholders in that mission is achieved. It could be an ancillary function of the 'S3 Thematic Group' of the GPB, or as a bespoke entity. In either scenario it would comprise key national and local role players in determining and delivery managing national and local innovation strategies - including those agreeing deployment of EUSIF (and related) resources. An illustrative terms of reference (TORs) for the Steering Group is attached at Appendix One.

The Advisory Panel

In order to give GPB, MAs, LEPs and EU Management Committees access to authoritative expert advice on S3, the Hub will host an Advisory Panel. The Panel serves as an independent advisory committee of the GPB on matters pertaining to S3 compliance and good practice in the formulation and implementation of EUSIF 2014-20 and other relevant/related funding programmes. Comprising experts with skills, experience and networks in the industries,

technologies, tools and techniques necessary to deliver local innovation strategies coherently and effectively, the Panel will provide both top-down and bottom-up support on request. They may produce and present (e.g. at an Annual Conference) an annual S3 'state of the local innovation eco-systems' report.

Individually, they will also be a source for referral of MAs, LEPs and Management Committees to relevant intelligence and expertise needed to plan, manage and appraise their programmes. An illustrative TORs for the Advisory Panel is attached at Appendix Two.

Website and Observatory

Although there are many existing sources of innovation intelligence, the S3AH should establish a light-touch portal and web-site, providing S3 and innovation practitioners with a 'first stop' bespoke resource to:

- a) A library/repository of relevant reports and material - both selected by the Hub, but also deposited by members/users
- b) Signposting to useful websites, observatories and online resources
- c) Commission regular blogs and articles on areas of interest from members/users
- d) Produce a monthly newsletter/bulletin on S3AH and related material

Problem-solving and Solutions-development network(s):

The S3AH could also provide catalytic, hosting and secretariat services for capacity-building, pilot projects and other initiatives to encourage effective collaboration within and across local innovation eco-systems. Although this service could be entirely 'demand-led', it is strongly resonant with the S3/RIS3 process of 'entrepreneurial discovery'. There are also likely be specific topic areas where cohorts of national and local agencies perceive there is demand for technical assistance and secretariat support to explore a topic which the S3AH is particularly well-placed to contribute. These might be thought of as 'bottom-up spokes' of the hub. Examples of the types of initiatives that this facility might support are outlined in Appendix Three. These 'bottom-up' spokes may well be key determinants of the S3AH work priorities (and potentially GPB/MA policies) in future years.

Secretariat

This should be established to provide executive support to the above arrangements. The secretariat may be embedded within and share resources with an existing organisation (e.g. NCUB) for ease of establishment - and might include part-time/shared staff and secondees from partners. However, given the remit of the hub, an experienced, 'entrepreneurial' Director with the gravitas to advise and influence the key role-players is justified. A Research Executive to establish and operate the Observatory; and an Events/Networking Manager would provide a core three-person team.

Consultation Questions:

- 5. Are the scope and remit of the Steering Committee, Advisory Panel, Observatory, problem-solving and solutions-development network(s) and Secretariat a sensible starting point for establishing and operating the hub?**
- 6. What roles and relationships would you and your organisation wish to establish with the Hub; and how can it be most effective in helping you deliver R&I priorities?**

Section 5: Business Model and Resources

It is proposed to establish the Hub for an initial five-year period, subject to a three-year review, co-funded by EUSIF technical assistance. UK match will be provided by core grant, with increasing income from sponsorship, project-specific grant, user charges and demand-led services (i.e. where a cohort of users seek the Hub's assistance with a particular relevant exercise). An indicative outline Budget for the 'full service' Hub above is shown in table two.

Table Two: Indicative S3AH start up budget 2015-18

Item	Rationale	2015 (£k)	2016 (£k)	2017 (£k)	TOTAL (£k)
Core Expenditure					
Governing Board	Set direction and ensure S3AH meets its objectives	10	10	10	30
Advisory Panel	Provide expert advice to NGB, MAs, LEPs, other partners on S3/ innovation strategy	15	15	15	45
Annual Conference	Popularise/develop S3 good practise	50	50	50	150
Secretariat	Provide executive capacity	150	250	250	650
Website and observatory	To build a S3 resource for 'partners'/users	40	25	25	90
TOTAL Core		265	350	350	965
Sponsorship/Fees etc	eg for conference etc	25	50	50	125
Potential TA match	Assume 80% of Hub activity is EUSIF core and eligible TA co-funding	116	160	160	436
Net Core sought		149	140	140	429
Demand-led services					
Networks/SIGs	Say, 2-3 pa @£12k	24	36	36	96
Interreg Projects	Project and pump-priming fund	0	20	20	40
Project/TA brokerage fund	Cost-sharing fees for project/TA brokerage	0	30	60	90
Commissioning/ Capacity- building	Where partners ask S3AH to commission	40	50	60	120
Potential TOTAL spend	To give overall sense of a +/- £500kpa entity	329	486	526	1311

Clearly a full budget will be elaborated once a proposition is firmed up at the end of the consultation period. However, the above illustration gives a sense of the character of a S3 assurance and capacity-building arrangement of a scale of +/-£500,000 turnover pa, with earned income rising to £150-£200,000 by Year Three. It would be for the Steering Committee/GPB to keep requirements for and focus of the S3AH under review - and to determine how entrepreneurially it seeks to generate earned income. It is quite possible that a different set of arrangements will evolve over time, based on the 2015-17 experience.

Consultation questions:

- 7. Do you have any comments on the illustrative budget?**
- 8. For what products/services might your organisation consider a financial contribution?**

Section 6: Alternative options considered

This paper has outlined a light touch 'full service' S3AH - with clear customers for the Advisory Panel, and a demand-led approach to development of the Observatory and Action Learning Network(s). Alternative options considered included:

- *A stand-alone Advisory Panel* - supported by a Coordinator/Manager - with or without the annual conference. The concerns about this minimalist configuration would be the lack of interactivity and connectedness with capacity-building of local innovation eco-systems, and with national-local mediation. As a stand-alone panel, it runs the risk of becoming a collection of individual experts championing their particular areas of expertise and interest.
- *A distributed network(s) model* - a more ambitious configuration would be to seek proposals 'bottom up' from groups of LEPs and partners interested in S3-based capacity building and experimentation - perhaps incentivising this with a EUSIF TA match pot. This would again be loosely coordinated by a Project Manager. Whilst this construct has merit, and may be worth consideration as part of the S3AH, it lacks the structure and legitimacy to meet EU Commission and government assurance goals; and it might increase divergence between innovation-rich and poor local economies. It might also struggle to achieve TA match.

Consultation questions:

9. Do you have any comments on the two alternative options considered above?

10. Are there any other options that should be considered?

Section 7: Concluding remarks

This paper outlines, for consultation and feedback, an initial proposition for bringing government's policy to establish and operate a S3AH to fruition. The consultation on this paper shall remain open until September 30th 2014, and we envisage giving a number of opportunities for deliberations on it (both collective and individual) between now and then. Thereafter, a final proposition will be put to Ministers, with a launch scheduled for late 2014 and establishment of the substantive hub from January 2015.

Consultation questions:-

11. Are there further issues you wish to raise related to the establishment of the S3AH, and would you wish us to arrange a follow-up meeting to discuss it?

Appendix One: Illustrative Steering Group Terms of Reference

Steering Group primary purpose:

The 'Steering Group' is the de facto Governing Board of S3AH, and is the primary responsible body accountable for overseeing the development of the hub in pursuance of its aims and objects, determining its future direction, and building an environment in which the S3AH mission and the confidence of relevant partners and stakeholders in that mission is achieved.

Roles and responsibilities:

To this end, the Governing Body shall:

- approve S3AH mission and strategic vision, long-term business plans, key performance indicators (KPIs) and annual budgets, ensuring that these meet the interests of stakeholders
- appoint the S3AH Director and put in place suitable arrangements for monitoring his/her performance
- approve the annual budget estimates of income and expenditure and monitor institutional performance against plans and approved KPIs
- ensure establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, clear procedures for handling and for managing conflicts of interest of both the board, the advisory panel, and if necessary the Executive and any S3AH 'spokes'/outposts
- set the character of S3AH and ensure that it acts at all times in such a manner as to promote the objects and interests of the entity

Membership:

The Governing Body may EITHER be an 'innovation subcommittee' of the NGB and/or might comprise +/- 15 members, appointed by the NGB or its nominee, on the advice of NCUB - following its August-October consultative process. In the first instance, the character of membership might include:

- Chair - NCUB
- Representatives nominated by each MA department - BIS, CLG, DEFRA [say three]
- Representatives nominated by the LEP Network [say three]
- Representatives nominated by LGA, UUK, business representative organisations
- Representatives of core funders of the S3AH if not represented above (e.g. HEFCE, TSB etc)

In the first instance, the NCUB COO will act as 'clerk' to the Governing Body, but this role may be assumed by the Director once he/she is appointed.

New members may be invited onto the Governing Body by the Chair, after consultation with existing Governing Board members and NGB Members.

Delegation of functions and committees:

In discharging its roles and responsibilities, the Governing Body may establish sub-committees, executive and non-executive boards. The first such board is the Advisory Panel.

The Governing Body will set the ToRs for the Advisory Panel any such future bodies, and will assure itself regularly that they are effectively delivering against those ToRs, and making a tangible contribution to the Governing Board's own primary responsibilities.

Operating principles:

Individual members and the Governing Board shall at all times conduct themselves in accordance with accepted standards of behaviour in public life which embrace selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Governing Board shall meet sufficiently regularly, and normally not less than two times a year, in order to discharge its duties effectively. Members of the governing body shall attend regularly and actively participate. Substitutes shall be permitted *with the consent of the chair*. In between meetings, the Governing Body may convene virtually or conduct business by e-mail/round robin communication.

Decision making will normally be by consensus.

Organisation and Management:

The Board shall be supported by the S3AH secretariat.

Resourcing:

The positions of Chair and Members of the panel should be pro bono. However the Chair should receive a nominal honorarium, whilst panel members should receive reimbursement of reasonable expenses in discharging their roles and responsibilities. Assuming 2 formal meetings p.a., a provisional budget of £10,000 should be made available.

Appendix Two: Illustrative Advisory Panel Terms of Reference

Advisory Panel primary purpose:

The S3 Advisory Panel serves as an independent advisory committee of the GPB on matters pertaining to S3 compliance and good practice in the formulation and implementation of EUSIF 2014-20 and other relevant EU funding programmes.

Advisory Panel secondary purpose:

The panel will also have a secondary role - to assist GPB, MAs, LEPs and delivery partners to access the depth and breadth of insight and expertise to effectively deliver innovation-based growth intervention strategies.

Roles and responsibilities - collective and individual:

To this end, the Advisory Panel shall:

- Assist the GPB, MAs, LEPs and their EU Management Committees with the appraisal of and deliberation on major EUSIF strategies, programmes and projects in terms of S3 and innovation related compliance and good practice
- Advise on capacity-building of local innovation eco-systems; and on synergies between EUSIF 2014-20 strategies and other EU (and national) strategies and programmes
- Dealing with such other issues as are requested by the GPB and/or the S3AH Steering Committee

In addition, individual members of the Panel will provide a referral resource to GPB members, MAs, LEP Boards and EU Management Committees seeking technical assistance in their particular specialist area. They may also be asked to represent the S3AH 1-2 times pa at relevant meetings and events.

Advisory Panel chair:

Nominations for the post of chair of the panel should be sought from national and local 'innovation leadership teams' with a recommendation of the S3AH Steering Committee formally considered and determined by the NGB.

Membership:

The Advisory Panel may comprise up to 25 members - mobilising experience, skills and networks in the following constituencies:-

- National innovation, industrial and technology strategy - with particular reference to the eleven industrial strategies and eight great technologies [say 12 members]
- Regional and local economic development - with particular reference to international models of good practice and current UK policies and approaches [say 3 members]
- Industry/Academia/R&D engagement - providing a breadth of relevant industry and academic collaboration perspectives [say 3 members]
- Local investment priority perspectives - e.g. Infrastructure investment, tourism/visitor economy, creative and cultural industries, perhaps retail [say 3 members]

- A social innovation advisor
- Education, learning and workforce skills development - of both curriculum, programme and institutional development perspectives [say 3 members]

Members may be invited onto the Advisory Panel by the Chairman of the S3AH Steering Committee, on the advice of that Board, the GPB and its constituent members. Members of the Advisory Panel may cease to be members by resignation in writing to the Chair of the Panel, or by resolution of the S3AH steering committee.

Operating principles:

Individual members and the Advisory Panel shall at all times conduct themselves in accordance with accepted standards of behaviour in public life which embrace selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Advisory Panel shall meet sufficiently regularly, and normally two-three times a year, in order to discharge its duties effectively. Meetings may be both physical and/or 'virtual' on-line. Members of the panel shall seek to attend regularly and actively participate. They should also be available to advise and support the work of the S3AH between meetings on an occasional basis.

Advisory Panel recommendations shall be communicated to those requesting advice and support in a manner that reflects the breadth of views and deliberations.

Organisation and Management:

The panel shall be supported by the S3AH secretariat.

Resourcing:

The positions of Chair and Members of the panel should be pro bono. However the Chair should receive a nominal honorarium, whilst panel members should receive reimbursement of reasonable expenses in discharging their roles and responsibilities. Assuming 2-3 formal panel meetings p.a., a provisional budget of £12-£15,000 should be made available.

Commissioning Budget

Subject to final remit and design of the hub, it may be useful for the Advisory Panel to have access to, or to advise on deployment of, a pro-active commissioning budget for R&I exercises where there is demand for an independent 'expert' view; or where there is a gap in the intelligence base that would benefit from further work.

Appendix Three: Illustrative S3AH Network(s)/Spokes

The bottom-up S3Ah spokes could be totally demand-led, and seek calls for proposals on an annual basis - but might potentially get a very modest TA and/or core pump priming contribution. Spokes could take the form of problem-solving exercises, pilot projects, special interest groups (SIGs) or other initiatives. Areas where there is definite demand/need and scope for collaboration include the following - but there may also be specific industry, technology, geography, and functional issues for which there will be an interest from cohorts of national and local role players.

Illustrative Year One/Two Programme at say 2-3 actions pa

- Building LEP and local Innovation Leadership teams - most LEPs are at a very early stage of innovation leadership. Deliberative exchange on how to 'form, storm, norm and perform' as a local innovation leadership team might well be valued and useful.
- A capacity-building programme (e.g. for professional executives involved in R&I strategy delivery and interface areas like skills, infrastructure planning etc) comprising workshops, training, CPD etc on R&I, S3 etc.
- EUSIF/H2020 alignment pilot - there is significant enthusiasm from both LEPs and HEIs on how to progress this in practice - with strong EU and national government interest.
- Catapults and the local economy - potential for an action-learning exercise which explores both how Catapults relate to the area in which their hubs are located; and how they can support growth effectively in areas where that have no physical footprint
- Leveraging the London world city effect - a major challenge for LEPs in the London mega-region, and a stated priority for most other metropolitan and some non-metropolitan areas
- Aligning skills and innovation priorities and programmes - an area of intense interest - especially given the EUSIF cohesion focus (including SFA opt-in) and the higher level skills and talent retention focus of most ambitious areas
- Positioning and branding places in the global knowledge economy - another area of intense for LEPs and for places within LEPs - and a key to a well-founded S3Ah approach. Also read-across to any deepening UKTI opt-in.

Illustrative costings per (minimalist) £20k project/SIG

- A convenor - say £1k per month - £12k
- Meetings and events - say one per quarter - £4k
- Publications, PR, incidentals - say £2k
- Say 12 participants at £1,500 - £2,000 each

Another area worthy of exploration for S3AH will be Interreg and other transnational EU collaboration programmes where:-

- S3Ah might participate in its own Interreg initiatives with the S3Platform and/or other similar entities in other regions/member states
- S3AH might advise, broker and support LEPs and other local partners to formulate and participate in bespoke transnational programmes suited to their SEP and EUSIF priorities.