



**WEST MIDLANDS**  
COMBINED AUTHORITY

## WMCA Board

<b>Date</b>	9 March 2018
<b>Report title</b>	Establishment of West Midlands Innovation Board
<b>Portfolio Lead</b>	Councillor Ian Ward - Economic Growth
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### **Recommendation(s) for action or decision:**

#### **The WMCA Board is recommended to:**

- (1) Approve the creation of the West Midlands Innovation Board (WMIB), reporting to SEP Board, to take a strategic lead in ensuring that innovation i) drives economic growth and public service reform and ii) is embedded across the activities of the West Midlands Combined Authority.
- (2) The West Midlands Innovation Board (WMIB) will take a new delivery orientated approach for innovation, building on the findings of the West Midlands Science and Innovation Audit, to ensure that innovation delivers tangible economic growth and public service reform across the West Midlands Combined Authority geography.

## 1.0 Purpose

- 1.1 To ask members to approve the creation of the West Midlands Innovation Board, reporting to SEP Board, to take a strategic lead in ensuring that innovation drives future economic growth and public service reform, along with embedding innovation within the activities of the West Midlands Combined Authority (WMCA).
- 1.2 There is currently no formal group within the WMCA's governance structure tasked with leading the SEP objective of increasing levels and economic impact of innovation. The creation of a formal WM Innovation Board will provide strategic leadership on innovation matters.

## 2.0 Background

- 2.1 The WMCA Strategic Economic Plan (SEP) explicitly recognises that delivery of the SEP depends on the embedding of innovation in both the wider economy and in public service reform: *'a relentless focus on innovation is key to achieving productivity and public service reform objectives.'*
- 2.2 Action to support and enable innovation features in many of the WMCA SEP strategic priorities, with a key priority to increase the number of businesses adopting innovation, and increasing investment in R&D. Innovation is acknowledged as a key driver of economic productivity and investment and forms one of the five strands of work of the WMCA Productivity and Skills Commission. There is also a strong and complementary focus on innovation at the level of the three constituent LEP SEPs.
- 2.3 There is a growing focus on the importance of innovation in resolving the UK Productivity challenge. The National Productivity Investment Fund aims to add £23 billion in investment from 2017/18 to 2021/22, which includes £4.7 billion for science and innovation, including a growing year-on-year profile to £2 billion per year extra in R&D, by 2021/22. Building from these announcements, innovation is one of the foundations of the UK Industrial Strategy, published in November 2017, and furthermore innovation is also woven through the other four foundations of the Industrial Strategy. There is seen to be a strong connection between Innovation and the Place with an emphasis on the importance of building innovation excellence 'across the country'. The associated launch of a £115m Strength in Places fund 'to support areas to build on their sciences and innovation strengths and develop stronger local networks' further adds to a growing set of investment funds that the WM needs to take full advantage of as it develops its Local Industrial Strategy.
- 2.4 The West Midlands is well placed to take advantage of this national policy agenda to drive forward local economic growth through innovation, having, already produced its own Science and Innovation Audit (SIA), supported by the three LEPs. The SIA identifies areas of science and innovation expertise across the WMCA geography in its research base, innovative companies and other bodies in the wider innovation ecosystem. The SIA states: 'The research landscape across our area is multi-faceted, spanning the full 'Technology Readiness Level' spectrum, from basic and experimental research, through to applied and collaborative R&D, and on to commercial implementation. Our area includes eight universities with particular strengths in the broad areas of engineering, physical science and the biosciences.'

2.5 In endorsing the WM SIA, the 3 LEP Chairs and the Mayor concluded that it *'shows that, with the right leadership, cooperation and targeted action, the West Midlands has the science and innovation strengths, assets and relationships to seize this moment to further develop and exploit our science and innovation capabilities to maximise growth across our economy.'* The Audit also provides a powerful evidence base to steer the WMCA and LEPs as they identify key market strengths and enabling competencies with potential for exploitation, as well as ecosystem enablers and barriers.

### **3.0 Role of West Midlands Innovation Board**

3.1 The West Midlands Innovation Board will be a knowledgeable body with the expertise to: identify the innovation priorities that have the power to support the case for inward investment and to stimulate growth, productivity and skills; and instil partnerships that deliver. The WMIB will be a champion for innovation across the WMCA geography, acting as the prime collective voice for encouraging both innovation in our firms across all sectors of the economy and embedding innovation in public service reform. It will be the lead body in the Combined Authority structures charged with ensuring that innovation enables our economy to grow and helps to drive public service reform

3.2 The West Midlands Innovation Board will therefore;

1. Support, drive and enable a strategic framework for innovation focused on the strategic drivers of the SEP and recommendations of the West Midlands Science and Innovation Audit.
2. Champion the innovation function as an enabler of the WMCA SEP objectives supporting the CA SEP Board.
3. Stimulate innovative approaches to support of the delivery of economic development in the WMCA, leading to tangible deliverables and drive development of programmes addressing the findings of the WM Science and Innovation Audit across the three-LEP geography.
4. Incentivise the alignment of the innovation capabilities of the region's research organisations, including the universities, with the needs and demands of West Midlands business.

The LEPs will seek to develop a more comprehensive reservoir of business led innovation activity and capacity to inform and support the delivery of the productivity improvements the region needs via an effective ecosystem encouraging greater business investment into innovative processes, products and services. An overview of this wider ecosystem is in the appendix to this paper.

### **4.0 Remit of West Midlands Innovation Board**

4.1 The WMIB will be balanced towards demand-led innovation with significant involvement from the private sector and incorporating the needs to deliver public service reform. The emphasis on demand-led innovation will not exclude the support of emerging new technologies and innovative developments from the research base that could bring a step change in the regional economy in the longer term, especially where these are close to market.

4.2 The WMIB will develop clear and definable outcomes and KPIs with a clear remit of:

### ***Strategic Framework and Programme Prioritisation***

- Develop a strategic framework for innovation for the WMCA, taking into account LEP, Midlands Engine and national innovation strategies, advising the WMCA on innovation policy and strategy.
- Provide an evidence-based consensus for the prioritisation of research and/or innovation propositions that are funded through the WMCA or that require WMCA endorsement and/or support.
- Building on work of WMCA SEP, recommend actions for the SEP Implementation Plan related to innovation and lead on developing specific actions, as appropriate.
- Lead on development of next steps and recommendations emerging from WMCA Science and Innovation Audit as they relate to Combined Authority geography.

### ***Partnership Development and Capacity Building***

- Lead strategic relationships, where the WMCA is able to act as one voice on behalf of all key local stakeholders, with national agencies and bodies, including BEIS Innovation Directorate, Innovate UK and Catapults.
- Work with key stakeholders, including LEPs, universities and the WM Growth Company, to promote the region's innovation strengths nationally and internationally.
- Shape and determine innovation proposals within future devolution deals and monitor and evaluate their delivery and effectiveness.
- Work with other WMCA Boards, including Digital Board and Public Service Reform Board, in which innovation has potential to be a cross-cutting theme.
- Lead and advise on embedding innovation into public service reform.
- Draw on the 'reservoir' of partners, expertise and pipeline projects to support delivery against the Innovation Board's strategic framework for Innovation.

### ***Innovation Advocacy***

- Co-ordinate responses to national opportunities, including programmes to boost a national Industrial Strategy and regional growth (such as the Industrial Strategy Challenge Fund, Strength in Places Fund and Shared Prosperity Fund and UKRI funds) where there is a clear benefit to doing so through the WMCA.
- Maintain awareness of the three-LEP innovation activities in order to identify where joint action and/or WMCA level interventions may be beneficial.
- Further develop and lead on implementation of recommendations of the Productivity and Skills Commission as they relate to innovation.
- Encourage incentives and activities which increase alignment of R&D from the region's research organisations, including its universities, with the innovation needs of business, encouraging collaboration, working with partners in the innovation ecosystem.

4.3 An overview of specific activities within this remit is included in Appendix 2.

## **5.0 Governance and Management of West Midlands Innovation Board**

5.1 It is proposed that the governance structure for WMIB allows for clear reporting into SEP Board, with leadership for innovation within WMCA structures. Membership should be constituted to reflect the demand-led approach to innovation by the WMIB. Details of the proposed structure can be found in Appendix A.

5.2 It is proposed to define expectation and characteristics of the Chair first and then seek nominations. (Annex 3). As part of their role, the Chair should have a strong industrial background and good understanding across the market strengths and/or enabling competencies identified in WM SIA. The chair should also have a good understanding of the capabilities of the university sector in the region, and of the national and international drivers that influence university strategy and partnerships with business.

- 5.3 Members of the Board will be drawn from organisations which align with the objectives of the WMIB, including business, universities, science parks and LEPs. Government innovation bodies such as BEIS and Innovate UK, should be invited to attend with observer status. Nominations should be sought of individuals with an understanding of the WM innovation ecosystem and partnership working. The Chair and Members should define clear expectations for the Board, acting in the spirit of the Nolan principles defined below
- 5.4 Membership should ensure expertise to cover all topics of the WM SIA, i.e. 4 market strengths, 3 enabling competencies and 5 ecosystem factors (one person may cover several and also a type of organisation).

<b>Suggested WM Innovation Board Membership</b>	<b>Composition</b>
University Membership (Vice Chancellor or Pro Vice Chancellors or equivalent)	6 Seats
WM CA LEPs (Senior private sector representatives) (2 seats per LEP)	6 Seats
Experts and specialists (to be appointed as appropriate).	3 seats
Independent Chair	1 Seat
Observer status for Innovate UK, BEIS and other relevant govt departments as appropriate.	

- 5.5 The CA SEP Board should agree final membership, with sign-off from the Mayor.
- 5.6 The Innovation Board and its members will adhere to Nolan Principles and manage any potential conflicts of interest in accordance with the legal requirements of the WMCA.

<b>Board Operation Draft Principles - Nolan</b>
<p><b>1. Selflessness</b> Holders of public office should act solely in terms of the public interest.</p> <p><b>2. Integrity</b> Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.</p> <p><b>3. Objectivity</b> Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.</p> <p><b>4. Accountability</b> Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.</p> <p><b>5. Openness</b> Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.</p> <p><b>6. Honesty</b> Holders of public office should be truthful.</p> <p><b>7. Leadership</b> Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.</p>

Links to other appropriate WMCA governance structures should be clear, notably the Digital Board and Public Service Reform Boards.

5.7 There will be a requirement for Executive support for the West Midlands Innovation Board. The remit of the Executive will be fully articulated before deciding levels of resource, but initially a light structure (e.g. Innovation Executive Lead and potentially a supporting role) is anticipated, principally to support the role-out of the WM SIA and delivery of the innovation aspects of the SEP. The LEPs have agreed to initially assign capacity to the Innovation Executive lead role with a physical base with GBS LEP. Line management is proposed via the LEP Chief Executives with a dotted line report to the Chair.

5.8 The three LEPs are committed to work closely with partners to explore funding mechanisms with a view to funding the Innovation Executive support in the initial period (18 months to 2 years). Building a sustainable future model for WMCA activities will be a priority for the lead officer.

5.9 Task & Finish/Working Groups could be resourced by a combination of the CA and via the wider innovation ecosystem depending on necessity. In some cases there might be a need to re-purpose groups to meet the needs of the WMCA SEP priorities.

## **6.0 Financial implications**

6.1 There are no financial implications arising from this report at this stage.

## **7.0 Legal implications**

7.1 There are no legal implications arising from this report

## **8.0 Schedule of appendices**

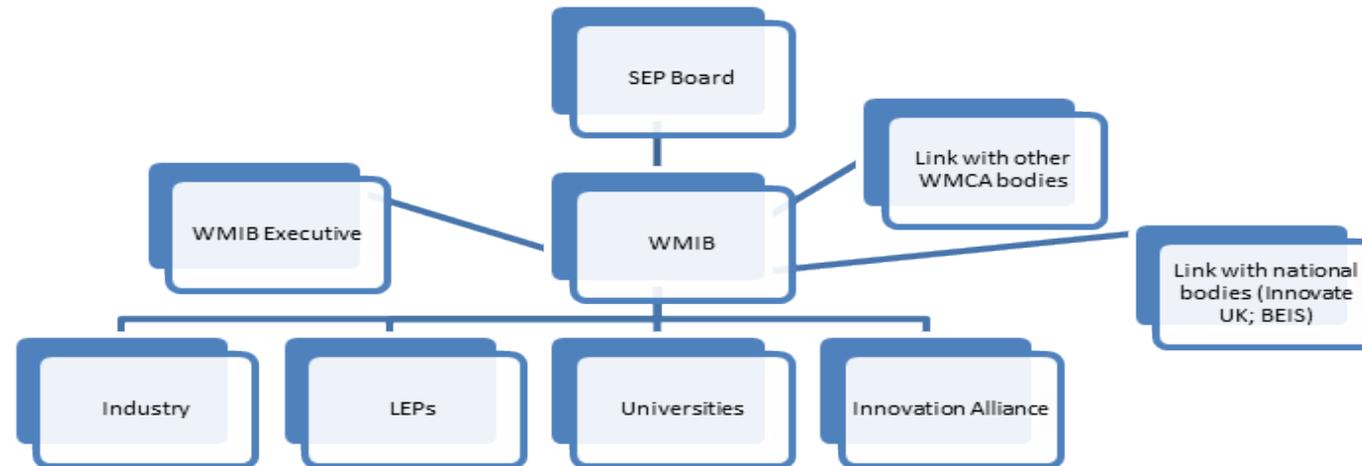
8.1 Appendix 1: Innovation Ecosystem Feeding into proposed WMCA Innovation Board

Appendix 2 – Key Activities and Deliverables of West Midlands Innovation Board

Appendix 3 – Innovation Executive Lead Job Description and Person Specification

Appendix 4 - Chair of the Innovation Board Job Description and Person Specification

## Appendix 1: Innovation Ecosystem Feeding into proposed WMCA Innovation Board



### Innovation Alliance for the West Midlands

An independent innovation ecosystem network, the 'Alliance' is envisaged to be a useful source of pipeline programme considerations for the WMIB. The 'Alliance' has two main aims – to build a vibrant innovation ecosystem and to catalyse collaborative actions that drive growth and enhance productivity through increased innovation for the West Midlands.

### Universities

The WMCA is home to eight universities within its current geography, and part of a network of 12 universities across the wider West Midlands. All universities are members of Universities West Midlands, which is the inclusive higher education regional association for the West Midlands and the forum for collective engagement with the WMCA.

Other formal university alliances that include WMCA-based universities and with which the WMIB is likely to engage include:

- West Midlands Combined Universities: a formal and legal partnership between Birmingham City University, Coventry University and the University of Wolverhampton – to meet the demands of devolution across the region.
- Midlands Innovation - a world-class research and innovation partnership, which seeks to unite the power of university research with the unique strengths of Midlands industry to drive cutting-edge research, innovation and skills development. Members (WMCA members in

bold): **Aston University, University of Birmingham**, Cranfield University, Keele University, University of Leicester, Loughborough University of Nottingham, **University of Warwick**.

## **Appendix 2 – Key Activities and Deliverables of West Midlands Innovation Board**

### **Board meetings**

- Agree recommendations to the WMCA Investment Board on spending WMCA innovation funding
- Formally endorse input to Local Industrial Strategy on R&D and innovation
- Escalate bid co-ordination issues for discussion at the Board
- Endorse and monitor pipeline of major innovation business cases to put to Government where there is a clear role for the Combined Authority
- Review proposals for changes to Government innovation funding structures (e.g. EU Shared Prosperity Funding)

### **Executive / Working Groups**

- Recommend to the Innovation Board on spending WMCA innovation funding
- Provide expert input to Local Industrial Strategy on R&D and innovation
- Co-ordinate bids for Government innovation funding (arbitrate competing bids, marshal resources to develop bids, challenging and improving bids, radar to track upcoming calls)
- Oversee pipeline of major innovation business cases to put to Government
- Develop proposals for changes to Government innovation funding structures (e.g. EU Shared Prosperity Funding)

### **Fast track mechanism**

- Sub-group providing official WMCA / Mayoral 'endorsement' for bids to Government (e.g. for quick responses to 'calls' from Government)

## Appendix 3 – Innovation Executive Lead Job Description and Person Specification

### ROLE DESCRIPTION

**Job Title:-**

INNOVATION EXECUTIVE LEAD

**Accountable to:** WM Innovation Board  
Chair

**Line Manager:-** LEP Chief Executive

**Role Purpose:-**

To work directly with the West Midlands Innovation Board to ensure the delivery and implementation of its vision.

To lead the effective strategic role out of the West Midlands Science and Innovation Audit ensuring its alignment with the strategic innovation drivers in the WMCA Strategic Economic Plan.

Manage the key stakeholder relations, including wider WM Innovation Board Partners, three LEPs associated innovation arrangements, local authorities, Universities, FE Colleges and key business networks etc to ensure the effective delivery of WMCA Innovation ambitions.

**Principal Accountabilities:-**

1. To lead the development and implementation of the West Midlands Innovation agenda, working closely with the WMCA Innovation Board and WMCA SEP Board.
2. To develop, manage and deepen relationships with a range of stakeholders, regionally, nationally and internationally with the aim of driving economic growth in the West Midlands through innovation.
3. To ensure the effective delivery of the vision and plans of the WMCA Innovation Board and the efficient roll-out of the WM Science and Innovation Audit (WM SIA).
4. To ensure the effective development and management of key projects and programmes across the region to generate investment in innovation across the WMCA geography.
5. To ensure the development of an effective communications and marketing strategy to support the delivery, profiling and positioning of the WMCA Innovation Board plans.
6. To identify appropriate mechanisms for strategies to maximise funding and investment to achieve the WMCA's innovation goals.
7. To develop and manage a team (potentially virtual) with key partner organisations to deliver the WMCA innovation ambitions.
8. To determine reporting processes for measuring the success of programmes and contribute to the overall WMCA SEP action plans to ensure joined-up thinking and overall effective strategy delivery.
9. To determine and deliver effective financial reporting processes to ensure robust management audit and risk controls are secured enabling the effective management of the Innovation fund resources.

## **Key Personal Skills**

### **Experience**

- Proven and substantial senior experience in the innovation sector with evidence of alignment of innovation across strategic frameworks.
- Proven ability to understand, interpret and deliver on drivers for economic growth.
- Understanding of the WMCA Geography and LEP framework
- Understanding of the strategic framework for economic group
- A background of engagement with senior Board-level leaders and other professionals across a range of organisations and sectors.
- Experience of leading and managing complex public funded programmes and ideally direct experience of successfully developing business cases for access to national and European funding opportunities.
- An understanding of the challenges and opportunities for the West Midlands innovation landscape.
- Experience of managing complex stakeholder relations
- Experience of managing data reporting and financial funding allocation processes

### **Behavioural Competencies**

- Effective communication and influencing skills across all levels
- Effective relationship building skills
- Ability to build effective teams and relationships and achieve results through others by leading, inspiring and motivating others.
- Strategic thinking with the ability to think holistically and link strategy to implementation and delivery
- Strong decision making, high level analytical and problem solving skills, with the ability to exercise sound judgment in seeking creative solutions to complex situations.
- Resilience and organised an ability to work with a high volume workload.
- Commitment to collaborative working
- Entrepreneurial outlook with the ability to identify and maximise opportunities and manage risks.

## Appendix 4 - Chair of the Innovation Board Job Description and Person Specification

The role of the Chair is to provide leadership and direction to the West Midlands CA Innovation Board. The Chair's aim is to help realise its commitment to ensuring that innovation helps drive future economic growth and public service reform across the West Midlands Combined Authority geography through embedding innovation across its activities.

Accountable to:-	Chairman of WMCA SEP Board
Responsible For:	<ul style="list-style-type: none"> <li>• Defining the overall direction of the WMCA Innovation Board through supporting, driving and enabling a strategic framework for innovation.</li> <li>• Providing visible strategic leadership to the Board helping to achieve the WM Innovation Board, and ultimately WMCA SEP, objectives.</li> <li>• Ensuring effective recommendations are made on funding allocations WMCA innovation resources.</li> <li>• Lead the Board in the development of strategic relationships where ultimately the WMCA is able to act as on voice on behalf of local stakeholders, national agencies and bodies.</li> <li>• Chairing and continue to develop an effective Board through chairing its regular meetings and bringing together a diverse range of interests and partners to work together on a common agenda.</li> <li>• Ensuring that Board decisions are acted upon, leading the Board in its scrutiny of the performance of the Executive in effectively and efficiently delivering its plans.</li> <li>• Being the lead advocate for the WMCA Innovation Board as its spokesperson and championing its focus, ensuring it has a visible local, regional and national presence where appropriate.</li> <li>• Securing a robust and high standard governance framework is in place and is regularly reviewed.</li> <li>•</li> </ul>
Key Duties:	<ul style="list-style-type: none"> <li>• Setting the agenda ensuring it focuses on the key issues, is proactive and strategically focused.</li> <li>• Planning and preparing Board meetings to ensure members receive accurate, timely and clear information enabling sufficient time for consideration of critical issues.</li> <li>• Chairing Board meetings to ensure effective discussion, deliberation and decision making takes place with all adequately minuted.</li> <li>• Leading the timely review of the skills composition of the Board to ensure its overall effectiveness including where appropriate the Induction, review and development of individual Board members to ensure their continuing contributions.</li> <li>• Ensuring that successors are in place within the terms of appointment periods ensuring the effective re-appointment criteria is applied and/or recruitment and selection processes are adhered to.</li> <li>• Encouraging and making sure all Board members actively engage and participate in Board meetings taking action, where necessary to ensure individuals are appropriately contributing.</li> <li>• Liaising with the Executive to ensure appropriate effective support is provided at all times.</li> <li>• Engaging with relevant stakeholders to ensure the best interests of Innovation Board are represented and upheld at all times.</li> </ul>

Person Specification:

- Recognition as a business leader ideally with a proven strong track record in the industrial sector.
- Good understanding of the capabilities of the University sector in the region, and of the national and international drivers that influence university strategy and partnerships with business.
- Experience of strategic working and business planning with a good awareness of market strengths and key relevant areas e.g. WM Science and Innovation Audit (WM SIA).
- Ability to convey wider messages and build consensus, particularly in uniting divergent interests.
- Networking skills and experience with senior influencers and capability and willingness to use this for the benefit of WMIB
- Experience of operating within Boards and committee structures and a working knowledge of the governance framework.
- A willingness, together with the appropriate skills and knowledge and personal credentials, to effectively lead the Board.
- Ability to encourage fresh thinking and innovation to create new solutions.
- Experience of public relations and working with the media.
- Understanding and acceptance of the legal duties, responsibilities and liabilities of the stewardship of the Board and abiding by a public Code of Conduct.
- Good, independent judgement, political impartiality and the ability to think creatively in the context of the Board's activities and external environment.
- Excellent communication and interpersonal skills and the ability to respect the confidences of colleagues.
- Balancing tact and diplomacy with willingness to challenge and constructively criticise.
- A willingness to devote time to carry out their responsibilities.