London Regional
Defence and Security Cluster
2024 Terms of Reference

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Contents

1. Introduction

The London Regional Defence and Security Cluster (LRDSC) is an unincorporated association that brings together a collection of organisations, bound together by the aims of the cluster, and in agreement to the Terms of Reference as outlined below.

1.1. Introduction to these Terms of Reference

The following Terms of Reference stipulate the terms by which the LRDSC will operate and defines the purpose and structure of the organisation. It outlines the following:

- Vision, objectives, scope and deliverables of the LRDSC;
- Stakeholders' roles and responsibilities;
- Activities, reporting and communication processes.

These Terms of Reference have been approved by the LRDSC Steering Group and will be reviewed on a regular basis by the Steering Group and may be amended from time to time as appropriate. Any changes to these Terms of Reference must be agreed upon by the Chair of the Steering Group, in consultation with and subsequently endorsed by all members of the Steering Group.

1.2. Purpose

The LRDSC seeks to aggregate and raise the profile of regional Defence and Security (D&S) capability to stimulate greater sector knowledge, business, economic growth and productivity across the London economic region.

1.3. Mission Statement

The mission of the Regional Defence & Security Clusters is to:

"Provide a collaborative defence & security environment to drive opportunity and prosperity for London and the UK"

1.4. Vision Statement

Making Defence and Security sectors (see Annex A) more accessible to generate transformative ideas, innovation, technology, commercialisation and national resilience.

1.5. Values

The LRDSC holds a number of values that are at the core of what it has been formed to achieve:

- **Collaboration**: Encouraging collaborative working and partnerships to broaden outreach and increase efficiency.
- **Innovation**: Fostering and incubating novel ideas and innovation.
- **Respect**: Inclusivity of membership and opportunity to thrive for all.
- **Representation**: Providing a sector voice and representation, helping to shape the future of D&S.
- **People**: Investing in our workforce through education, training and skills development.

1.6. Aims

The aims of the LRDSC are:

1. Support businesses of all sizes with an interest in D&S to deliver new sector and cross-sector capability.
2. Apply a 'Team UK' approach to enable more joined up working between other Regional Defence & Security Clusters, industry, academia and government, providing an efficient and accessible route to industry curation and the region's D&S value chain.
3. Provide a hub for D&S activity to help realise investment opportunities (incl. government-industry co-investment models); improve competitiveness, skills and remove barriers to entry.
4. Identify and provide opportunity for non-traditional defence suppliers and sectors to add value.

1.7. Annual Objectives:

The Steering Group shall set annual strategic goals and objectives for the LRDSC and ensure that the necessary resources are in place to meet these goals and objectives. These objectives will be defined by the benefits we seek to encourage and will be refined annually by the Steering Group and Programme Manager, according to our measurements of success.

Initially, objectives will be set up to cover the period to Mar 2025. This is to coincide with the Steering Group membership review (See section 2.3.2) and the Financial Year.

2. Steering Group

A group of members that will:

- Represent the broader Cluster membership and act as ambassadors to promote its activity and value proposition.
- Provide leadership and strategic guidance to its development, programmes, activity and standing.
- Position the LRDSC with key regional and national industry and government stakeholders.

2.1. Steering Group Chair

The Steering Group shall appoint a Chair to the Steering Group. The Chair shall be appointed from Industry or Academia.

The principal role of the Chair is to manage the Steering Group and lead LRDSC Steering Group meetings. The Chair will provide leadership, direction and independent advice to the Steering Group and its stakeholders and will monitor the direction of the LRDSC in order to minimise bureaucracy, ensure productivity and promote opportunity.

2.2. Steering Group Membership

The Steering Group should be representative of its membership; the Steering Group shall therefore be made up of representatives from Industry, Academia, Local/Regional Government, the Defence & Security Accelerator, and other organisations as agreed upon by the Steering Group Chair.

The Steering Group membership shall not normally exceed 11 members, including the Chair, and LRDSC Programme Manager and Programme Co-Ordinator.

2.2.1. Initial Steering Group Membership

The Steering Group members will initially be selected based on declared interest from stakeholders that have been involved in the development of the Cluster.

2.2.2. Steering Group Membership Review

At an appropriate time after the launch of the cluster, the Steering Group membership will be reviewed, utilising feedback from the Cluster's membership. It is important to ensure the members believe that the Steering Group is representative of them as an organisation, as well as their sector(s) and locale.

The review activity will commence on the week commencing xxx, with changes to affected stakeholders being confirmed by xxx, followed by wider Cluster communications.

3. LRDSC Membership

Membership of the LRDSC is open to traditional and non-traditional D&S businesses and Higher Education and research institutions. In order to speak on behalf of their company or institution and develop opportunities provided by the Cluster's activities, senior/executive level membership is encouraged. Third Sector organisations, trade associations, local and central government bodies, and any others who may provide/draw benefit for the region may attend meetings or events as Strategic Partners. Unless agreed by the Steering Committee to be otherwise, the Cluster's geographical boundary for membership is within the M25 and bordered by the Western Gateway RDCS to the west.

3.1. Membership Types

3.1.1. Full Membership

Full membership encompasses any Industry organisation or Academic body within the LRDSC's geography (see section 3) offering products, services, R&D and technology solutions that can be applied in a D&S domain.

3.1.2. Strategic Partners

As a sub-set of the full membership, organisations such as local and central government bodies, LEPs, D&S trade bodies, funding bodies, investors and other Third Sector bodies that can support and add value to the Cluster, will be offered membership as 'Strategic Partners' at the discretion of the Steering Group.

3.1.3. Affiliate Membership

Affiliate membership will be given on an opportunity basis to those organisations located out of region that can help the Cluster address specific gaps in capability or provide ongoing opportunity to the LRDSC's members/region. Should the Steering Committee consider a potential member to be justifiably considered 'within London' but located outside the M25, they reserve the right to offer Full Membership.

3.2. Joining

Members eligible for full membership or strategic partners may join by request or referral from an existing member. There will be no formal process of election into the Cluster. The Programme Manager and Coordinator will liaise with applicants to establish basic organisation information as documenting D&S interests and mapping capability areas.

It is the responsibility of members to conduct the necessary due diligence with respects to participating in any activities related to the LRDSC.

Potential new members interested in joining the Cluster may attend open meetings as an observer, through the invitation of the Programme Manager.

3.3. Membership Fees

In the LRDSC's inaugural year of 2024 (Launch date to be determined), membership will be discounted to £0.00. If membership fees become a feature of the LRDSC's future operating model, payments will then align with the UK's fiscal year and will therefore be due in April of each year.

As the cluster develops, the LRDSC Steering Group may develop a longer term financially stable model which might operate on a membership or sponsorship basis. This model will be reviewed annually and changed as necessary to ensure a sustainable operating model. Further details of the sustainable financial operating model will be developed and shared at the appropriate time.

3.4. Expectations of Members

Members will:

- Comply with the Cluster's Terms of Reference and Compliance Policy (see Annex B) and will not prejudice any of its aims, objectives or activities.
- Participate, contribute and undertake actions where possible to support the functioning and knowledge capital of the Cluster.
- Engage in a collaborative and open fashion.
- Make the Programme Manager and Coordinator aware of benefits that have arisen from cluster activity for the purpose of promoting the Cluster and demonstrating its value.
- Demonstrate a commitment to fairness and positive collaboration, particularly with regard to engagement with other companies, their IP & market opportunities.
- Act as ambassadors, advocates and (where appropriate) spokespeople for the Cluster.
- Represent and speak on behalf of their organisations.
- Not use the forum provided by the Cluster to restrict or distort competition or divert investment opportunities away from the region.
- Fund the full cost of their participation with the Cluster.
- Adhere to the compliance policy as detailed in Annex B, and ensure sharing of information is conducted appropriately.

4. LRDSC Management

4.1. Programme Manager

A Programme Manager is to be appointed as a secondee, financed by a Cluster member organisation, to underpin and drive programme activity and membership growth. The Programme Manager will work with the Cluster's Steering Group and governance structure to deliver its objectives.

4.1.1. Key Roles of the Programme Manager

The key aspects of the role include:

- Working with the cluster's Steering Group to:
  - o Deliver on its aims and objectives, measure success and review these objectives as necessary.
  - o Catalogue the Cluster's successes and the benefits members have attributed to their membership of the Cluster.
  - o Be a point of contact; respond to enquiries, membership requests and help facilitate relevant linkages and project opportunities.
  - o Setup and support of Special Interest Groups (SIGs) made up of academia and industry with associated expertise and capability.
  - o Identify areas of mutual interest and make linkages with other RDSCs and sector clusters to avoid duplication of effort

4.2. Programme Coordinator

A Programme Coordinator is to be appointed as a secondee, financed by a Cluster member organisation, to provide secretariat and administrative support to the Programme Manager and Cluster's schedule of work.

4.2.1. Key Roles of the Programme Coordinator

The key aspects of the role include:

- Support the Programme Manager with day to day running and development of the cluster.
- Support the Programme Manager as required to develop the cluster's Thematic Groups and associated Special Interest Groups (SIGs).
- Administer the on-boarding of organisations wishing to join the cluster.

5. Thematic Leads of Special Interest Groups

In order to promote innovation in key enabling thematics and cohere collaboration across activity siloes, the following Special Interest Groups are proposed. The Cluster's programme of activity will likely span across a wide variety of themes, and this will fuel a cross-cutting culture:

- Cyber (defensive & offensive)
- Data (infrastructure, transfer, storage, analytics & twinning)
- Field Technology (platforms & devices for operational use)
- Behaviours & Human Factors (applied psychology & forensics)
- People (physical protection, training and optimisation)
- Emerging & Disruptive Trends (awareness of and pivot towards/away)

Key strategic technology themes in defence and security include but are not limited to:

4th Industrial Revolution Technologies	Health, Safety and Environment
Advanced Materials and Manufacturing	Human/Machine Interaction
Agile command & control	Human Performance and Development
Autonomous Systems and Robotics	Net Zero Initiatives
Communications	Secure Sharing of Information
Congested/contested RF Environment Effects	Sovereign Capabilities
Cyber Security	Space and Satellite Applications
Data Science, AI, ML, Simulation and Synthetic Environments	Specialist User Capabilities
	Test & Evaluation
Ethics and Legal Considerations	

Alternatively, a Special Interest Group may be set up according to a specific opportunity (RFI, funding challenge etc) to promote collaboration and stronger bids.

Where appropriate, the Programme Manager, with support and approval from the Steering Group, will establish Special Interest Groups. The Programme Manager shall keep a register on these subgroups and work with an appointed thematic lead, from industry or academia, to clearly define their work programme, including key objectives.

The Special Interest Groups shall:

- Identify areas of high and low capability within each theme and potential growth areas.
- Support the group to share knowledge, opportunities, best practice, facilities and network.
- Identify challenge areas that require R&D solutions to develop D&S products and services.
- Form consortia to collaboratively bid.
- Identify and communicate relevant funding opportunities aligned to theme.
- Report back to the Programme Manager on opportunities and successes enabled by this collaboration

Special Interest Groups will be formed on an ad-hoc basis, as required, with the Programme Manager sitting across all Special Interest Groups to ensure alignment with the cluster's aims and objectives.

Organisations who wish for a Special Interest Group to be formed, should submit their suggestion to the Programme Manager to enable it to be briefed and agreed upon by the Steering Group.

The register of Special Interest Groups shall be reviewed on an annual basis by the Steering Group, Programme Manager and thematic leads.

6. Finance

There is the expectation that the LRDSC's Steering Group, Thematic Leads and wider members will actively engage in Cluster activity through the provision of pro-bono support and/or other resourcing to enable Cluster objectives.

It is recognised however that external funding will be required to achieve many of the Cluster's wider aspirations and it will therefore aspire to access funding to fully achieve its growth potential and secure inward investment. As an unincorporated association, the LRDSC will work with partners to enable funding to be held by a third party, and drawn down as necessary to the Cluster. This negates any requirement for a legal entity.

The expectation is that going forward, the cluster may have a proportion of funding sourced through members' fees or sponsorship, as discussed in Section 3.3. Further details of the sustainable financial operating model will be developed and shared at an appropriate time.

7. Complaints

Should members of the LRDSC have a complaint or conflict that cannot be resolved, this should be reported to the following people in alignment with the recommended stages:

Stage 1: Theme Lead for Special Interest Group [*If related to a Special Interest Group*]

Stage 2: Programme Manager for the LRDSC

Stage 3: Chair of the Steering Group

At each stage, if the dispute cannot be resolved within seven working days it will be escalated to the next level.

Annex A - Defence and Security

0. What does the Cluster mean by Defence and Security?

Defence and Security are of high strategic and political importance and are synonymous with maintaining the UK's national security.

The Defence sector can broadly be divided into 4 sub-sectors:
1. Aerospace
2. Maritime
3. Land
4. Intelligent Systems

1. Defence

1.1. Aerospace

Predominantly internationally focused with EU collaborations (Typhoon), some US partners (F35) & equipping armed forces. This sector has strong export performance with key UK products and related support services such as: fighter and trainer aircraft, helicopters, large aircraft wings, missiles and jet engines. The sector is closely related to civil aerospace with many companies involved in both.

1.2. Maritime

Largely a national endeavour to equip the Royal Navy. Key products include: nuclear subs, complex warships, amphibious support, and patrol vessels. The naval sector is clustered around complex warship building, nuclear propulsion, submarine construction, and commercial ship building.

1.3. Land

There is requirement to support and upgrade a large number of defence equipment systems currently in-service, done through enterprises of all scales. Key products include: light armoured vehicles, armour, weapons and munitions. There is some overlap with component supply chain with adjacent civil sectors including automotive.

1.4. Intelligent Systems

This overlaps with, and compliments, aerospace, maritime and land sub-sectors as well as civil sectors including: space, security and cyber. It is the most varied sector encompassing cyber, data processing, autonomous systems, surveillance, communications and high grade cryptography products. The UK is a technology leader in many fields, particularly in combination with the Security sector.

[Source: House of Commons Committee Defence Sector Report 2017]

2. Security

The National Security Strategy and Strategic Review (SDSR) 2015 outlines three high level National Security Objectives:

1. Protect our people: at home and overseas; protect our territory, economic security, infrastructure
2. Protect our global influence: reducing the likelihood of threats affecting UK and allies' interests
3. Promote our prosperity: seizing opportunities, working innovatively and supporting UK industry

The Cluster would focus on the following Security sub-sectors related to these national objectives:

- Biometrics
- CBRN solutions
- Counter terrorism
- Counterfeit
- Crisis response and resilience
- Critical infrastructure

- Cyber
- Explosives
- Forensic technologies
- Information systems and data security
- Serious / organised crime
- Transport and border security

Annex B – Compliance Policy

This Compliance Policy governs the conduct of the London Regional Defence and Security Cluster (LRDSC). The LRDSC expects all its members to comply with the Policy and not to prejudice any of the aims or activities of LRDSC by any departure from it.

0. General

Meetings of competitors under the guidance of LRDSC are not prevented by competition law. However, LRDSC members must not use the forum provided by LRDSC in order to coordinate their commercial activities or to influence the conduct of a competitor. Each LRDSC member must exercise its independent business judgment in pricing its products and services, dealing with its customers and suppliers, and choosing the markets in which it will compete. Our inclusiveness of non-private sector organisations such as universities, government organisations and Local Enterprise Partnerships helps to ensure commercial agendas are not discussed at LRDSC meetings. Any activity that could create even the appearance of a restriction or distortion of competition must be strictly avoided.

1. Individual Responsibility

Whilst LRDSC expects all its members to comply with this Policy in the course of its dealings with LRDSC, members must take individual responsibility for complying with competition law and are advised to seek their own legal advice if they are unsure about the application of these rules.

2. Discussion Topics

LRDSC can discuss issues of general concern to LRDSC members, share non-sensitive (historical, aggregated and/or publicly available data) and report on pricing trends and market trends within the defence and security industry over a period of time in general terms but LRDSC must not talk about commercially sensitive issues or current market information, or exchange data, which allows the practices of individual companies to be easily identified (other than information already in the public domain). It is not possible to provide an exhaustive list of objectionable discussion topics, as the competitive significance of many issues is dependent upon the context in which they are raised. However, this Policy prohibits any discussions or exchange of information between LRDSC members that might constitute or imply an agreement or concerted practice concerning:

- prices or price factors, including discounts, rebates, and reductions;
- costs and demand structure;
- profits and profit margins;
- output and sales;
- product data if it contains commercially sensitive information such as cost and supply elements;
- technical data that relates to current and future research and development into new products;
- production capacity and forecasts;
- market shares and sales territories;
- investments and marketing plans;

- credit conditions or any other terms or conditions of sale;
- exclusionary practices;
- selection, rejection, or termination of customers or suppliers.

Members are permitted to exchange opinions and experiences in relation to general industry studies/statistics/market research provided that confidential information relating to individual companies is not disclosed.

3. Teaming to Bid

When members wish to team and form consortia to bid for funding or tenders, the lead organisation for that proposal will be responsible for putting in place a Non-Disclosure Agreement (NDA) or Collaboration Agreement between partners to collaborate and openly share information to develop that respective opportunity.