UKSBS
Shared Business Services

Commissioning Letter

Technopolis Limited,
3 Pavilion Buildings
Brighton,
BN1 1EE

Wednesday 20th February 2019

Dear [redacted]

BIS Research and Evaluation Framework Agreement – Lot 5
An assessment of economic performance of local enterprise partnership geographical areas
CR18203

Thank you for your response to the Specification for the above commission by the Department for Business,Energy and Industrial Strategy (BEIS) (the Customer) through the BIS Research and Evaluation Framework dated 2 January 2016 between (1) Secretary of State for Business, Innovation and Skills; and (2) Technopolis Limited (the Framework Agreement).

Appendixes: A. Tender dated Thursday 31st January 2019
B. Specification for An assessment of economic performance of local enterprise partnership geographical areas.

The Department for Business,Energy and Industrial Strategy (BEIS) accepts your Tender (Appendix A), submitted in response to our Specification (Appendix B).

The Call–Off Terms and Conditions for this Contract are those set out in Schedule 5 to the Framework.

The agreed total charges for this assignment are **£147,800.00** exclusive of VAT which should be added at the prevailing rate.

The agreed invoice schedule is as follows:

[redacted]

All invoices should be sent to should be sent to finance@services.uksbs.co.uk or Billingham (UKSBS, Queensway House, West Precinct, Billingham, TS23 2NF) A copy of the invoice should be sent to [redacted]

You are reminded that any Customer Intellectual Property Rights provided in order to perform the Services will remain the property of the Customer. The following deliverables have been agreed as per the below price schedule;

UK Shared Business Services Ltd (UK SBS). Registered in England and Wales as a limited company.
Company Number 6330639. Registered Office Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF

UKSBS

Shared Business Services

SOURCING REFERENCE:	[redacted]
SOURCING DOCUMENT TITLE:	[redacted]
BIDDER NAME	Technopolis Limited

Please complete the shaded yellow sections only.

Please note that the staff costs in section 1 should equal the staff costs outlined in section 2. Section 2 provides further detail around the project team and the distribution of staff days.

The figure used for evaluation is the total Cost (ex VAT) provided in Section 1 (Cell E15). The total cost is the total staff costs (ex VAT) and the cost Travel and Subsistence, Overhead costs, cost of production of materials and asphalt costs associated with the delivery of the project (ex VAT).

Section 1: Total Project Costs (Summary)

Objective	Number of Days	Total Staff Cost Per Objective (ex VAT)	Total Cost (Ex VAT)
1. Research	[redacted]		
2. Data collection/compilation			
3. Drafting			
4. Analysis			
5. Project Management			
6. Meetings			
7. Any other costs			
TOTAL			£ 147,800.00

Section 2: Total Staff Costs (Please complete)

Job Title	Standard Rate/Fees excluding VAT (£/Day)	Discounted Rate/Fees excluding VAT (£/Day)	Objective Area (Please Select)	Number of Days	Travel and Subsistence, Overhead costs, cost of production of materials and asphalt costs associated with the delivery of the project	Total Staff Cost (ex VAT)	Total Cost (ex VAT)
[redacted]			1. Research	[redacted]			
			3. Drafting				
			6. Meetings				
			1. Research				
			2. Data collection/compilation				
			3. Drafting				
			4. Analysis				
			5. Project Management				
			6. Meetings				
			1. Research				
			2. Data collection/compilation				
			3. Drafting				
			4. Analysis				
			5. Project Management				
			6. Meetings				
			1. Research				
			2. Data collection/compilation				
			3. Drafting				
			4. Analysis				
			6. Meetings				
			2. Data collection/compilation				
			3. Drafting				
			4. Analysis				
			6. Meetings				
			7. Any other costs				

UKSBS
Shared Business Services

The Services Commencement Date is Friday 22nd February 2019

The Completion date is Wednesday 29th May 2019.

The Contract may be terminated for convenience by giving 30 days' notice in accordance with clause 38 of the Call-off Terms and Conditions.

The Authorised Representative for this Commission will be [redacted] who can be contacted at [redacted]

Until the date of publication, findings from all Project outputs shall be treated as confidential. Findings shall not be released to the press or disseminated in any way or at any time prior to publication without approval of the Department.

This clause applies at all times prior to publication of the final report. Where the Contractor wishes to issue a Press Notice or other publicity material containing findings from the Project, notification of plans, including timing and drafts of planned releases shall be submitted by the Contractor to the Project Manager at least one week before the intended date of release and before any agreement is made with press or other external audiences, to allow the Department time to comment on factual accuracy. All Press Notices released by the Department or the Contractor shall state the full title of the research report, and include a hyperlink to the Department's research web pages, and any other web pages as relevant, to access the publication/s.

This clause applies at all times prior to publication of the final report and within one month from the date of publication. Where the Contractor wishes to present findings from the Project in the public domain, for example at conferences, seminars, or in journal articles, the Contractor shall notify the Project Manager before any agreement is made with external audiences, to allow the Department time to consider the request. The Contractor shall only present findings that will already be in the public domain at the time of presentation, unless otherwise agreed with the Department.

Congratulations on your success in being selected to undertake this Commission.

Yours sincerely

[redacted]
Category Specialist
UK Shared Business Services Ltd

BY SIGNING AND RETURNING THIS COMMISSIONING LETTER THE SERVICE PROVIDER AGREES to enter a legally binding contract with the Customer to provide to the Customer the Services specified in this Commissioning Letter and Annexes incorporating the rights and obligations in the Call-off Terms and Conditions set out in the Framework Agreement.

Department for Business, Energy and Industrial Strategy (BEIS)

Name and Title	[redacted]	
Signature		
Date		

Signed on behalf of Technopolis Limited.

Name and Title	[redacted]	
Signature		
Date		

Appendix B – Tender Specification

Background

It is a priority of the Department for Business, Energy and Industrial Strategy (BEIS) to deliver the commitments of the Industrial Strategy White Paper (link) of November 2017. The Industrial Strategy was launched with the objective of improving living standards and deliver economic growth to all parts of the country. The Places foundation of the Industrial Strategy includes several policies, but the closest to this project are three proposals: to agree Local Industrial Strategies with local areas, to undertake a review of the roles and governance of Local Enterprise Partnerships, and the development of a UK Shared Prosperity Fund. These are briefly referenced below.

Local areas in England have been invited to agree local industrial strategies with central government, demonstrating how will local areas prioritise long-term opportunities and challenges to achieve higher productivity locally. As stated in the Policy Prospectus (link) local industrial strategies will allow places to make the most of their distinctive strengths and better coordinate economic policy at the local level. They ought to be based on clear evidence and aligned to the national industrial strategy. Therefore there is a need to support those developing local industrial strategies in understanding their comparative performance in a national context.

Government will aim to agree local industrial strategies across England by early 2020. This policy is driven by the Cities and Local Growth Unit which is a cross government unit between BEIS and the Ministry for Housing, Communities and Local Government (MHCLG). The same Cities and Local Growth unit has been previously responsible for delivering various devolution policies including Growth Deals (link).

The Industrial Strategy sets out plans to launch a UK Shared Prosperity Fund following the UK's departure from European Union. Consultations for this fund are ongoing but it has been linked to the commitment of continuing to fund commitments signed prior to leaving the EU. In recognition of this, the policy prospectus expects the local industrial strategies will help local areas maximise the long-term impact of the UK Shared prosperity fund, once details about it are agreed and announced. Such possible role for local industrial strategies requires a benchmark of comparative economic performance across local areas that is common, consistent, and transparent.

Since 2010 Local Enterprise Partnerships have been delivering local growth and increasing local productivity through their management of the Growth Deals, and other policies channelled through them. Local Enterprise Partnerships are private-sector led partnerships between businesses and local public sector bodies. They bring private-sector expertise into local economic decision making and their geographies, currently being revisited, aim to provide simplicity, accountability and practicability. Following commitments of the national industrial strategy, the 'Strengthened Local Enterprise Partnerships review' was published in July 2018 (link). This review sets out how the Government will work with local enterprise partnerships to strengthen leadership and capability, improve accountability and manage risk, and provide clarity on their geographical boundaries.

Amongst commitments of the Strengthened Local Enterprise Partnerships review is to publish an annual economic outlook to measure economic performance across all Local Enterprise Partnerships. This is in acknowledgement that comparative economic performance is best evaluated using common transparent indicators, offering a representative framework (see e.g. Mavric and Bobek (2015)) whilst at the same time reducing a need for 38 Local Enterprise Partnerships to commission their own independent analysis, thus avoiding fragmentation and duplication, for example the National Audit Office found that "21% of LEPs do not have arrangements in place to ensure the quality and accuracy of monitoring information" (link).

In summary, the proposed Economic Outlook of Local Enterprise Partnerships is to provide a comprehensive assessment of the determinants of economic performance of geographies

corresponding to local enterprise partnerships, across a range of indicators aligned to the structure of the national Industrial Strategy.
The first edition of the Outlook will follow international practice, such as the OECD Regions at a Glance, that follows 40 indicators arranged as 11 dimensions of regional wellbeing.
The successful contractor will establish what indicators should be used for local economic performance, and whether they are reliably available for local enterprise partnerships in England. The final selection of indicators should be arranged along the foundations of the Government's Industrial Strategy (people, ideas, infrastructure and business environment).
In addition to data collation and curation within the UK, the Economic Outlook of Local Enterprise Partnerships will offer analytical commentary to draw out significant strengths/weaknesses and comparisons from the indicators presented as well as describe any qualitative factors or specific local intelligence that is useful.
Examples of economic outlook reports produced for other purposes but following a similar structure of relevant indicators arranged along defined dimensions are: the OECD Cities at a Glance (link) or the OECD Science Technology and Industry Outlook. Contractors are encouraged to offer their own proposals for UK local enterprise partnership geographies.

Aims

To provide a comprehensive assessment of economic performance across a range of indicators aligned to the Industrial Strategy suited to the geographies of local enterprise partnerships.

A shared understanding of what determines economic performance in these geographies will be vital to their success as strategic delivery bodies for future Government investment, as committed in the Industrial Strategy White Paper and its delivery policies.

Objectives

1. **To develop a framework of indicators that independently measure the economic performance of local enterprise partnership areas, grouped in dimensions that reflect the foundations of the Government's Industrial Strategy (people, ideas, infrastructure and business environment).**
2. **To provide explanatory commentary of the suitability of the indicators to uniquely reflect one or more dimensions (foundations of the Industrial Strategy), and where possible and relevant identify relationships between indicators and/or dimensions (foundations).**
3. **To carry out a comparative analysis of economic performance of these geographies, as demonstrated by this framework, aiming to give a national picture of regional disparities.**

Ideally the benchmark should aim to provide evidence of the geographical distribution of comparative advantages of each local area and the extent to which these explain overall economic performance. This will provide BEIS with a systemic review of local economies in England to ensure a national context of local economic performance.
A standardised assessment of the relative economic performance of each local enterprise partnership area can usefully inform institutional delivery plans and annual reports of Local Enterprise Partnerships as delivery bodies.

List of possible indicators for framework

- **Ideas:** R&D Expenditure; R&D tax credit; Intellectual Property protection (e.g. patents by patentee); Knowledge exchange/ collaboration (e.g. consultancy income)
- **People:** Participation in Higher Education (e.g. undergraduate qualifiers in STEM and non-STEM); Migration patterns (e.g. % of working age population)

- **Infrastructure:** Broadband infrastructure (e.g. average download speeds); transport connectivity links (e.g. journey time between key hubs- within and outside LEP area); housing affordability (supply and value), carbon emissions, flood risk
- **Business Environment:** rate of start-ups and start-up survival rates; enterprise per 1,000 residents; Industrial structure & cluster development; Uptake of business finance; Management practices; % of exporting businesses, water scarcity

The Outlook should also consider the availability and relevance of indicators of inclusive growth, deprivation, the distribution of productivity across businesses and issues facing SMEs e.g. access to business support and finance.

These are suggested indicators that can be used in developing the framework, and bidders are encouraged to submit their own, there are multiple examples of outlooks available at different geographical levels and for different thematic purposes that can be used as examples of good practice (OECD, EU, Enterprise Research Centre, Smart Specialisation Hub) that the contractor should consider in developing their own

Suggested Methodology

This research will run in two phases. Below is a suggested methodology for each phase. We would welcome bidder's alternative suggestions providing that they also meet the project aims and objectives. Bidders should also justify why they have suggested an alternative approach.

Phase 1

To collate and curate data from existing sources, considering availability and suitability to reflect a geography corresponding to a local enterprise partnerships.
Suggested sources include but are not limited to:

- Official statistics from the ONS and administrative sources
- One-off studies
- Those offered through the steering group of the project
- National and international sources (e.g. OECD, BEIS' Enterprise Research Centre, Smart Specialisation Hub, UKRI, the LEP Network...)

This phase will also include developing a framework with selected indicators that suitably reflect performance in the local geography, arrange them along dimensions corresponding to the foundations of the national Industrial Strategy, and agree a narrative to relate indicators to dimensions (if for example an indicator could belong to more than one foundation), and propose what are the likely influences of the indicators on the overall dimension (positive, negative, ambiguous, and why).
The expected output of this phase is to identify what data can link the levels of economic performance (e.g. productivity) to determinants of that performance at the geographical level of a local enterprise partnership. Then develop a performance framework that best represents performance – including but not exclusively, productivity.
It is expected that this phase will reveal where the gaps are for certain indicators at regional/LEP level and potentially identify how these gaps could be filled.
It is important to note that we do not expect new data collection for this Outlook but a suitable benchmarking framework that builds on freely available information so that local partners as well as the Government and the public can work with the framework without additional cost. Contractors may find new data manipulation techniques (data science) can offer new ways of using existing data to represent an indicator. These innovations could be considered alongside standard measures
Current definitions of local enterprise partnership geographies and boundaries should be used for this phase. Under recommendations in the Strengthened Local Enterprise

Partnerships review, these definitions are being revised to remove any overlaps and reconsider the most effective size and scale to operate. The outcomes of this boundaries review will not be available before the first edition of the Local Enterprise Partnerships Economic Outlook.
The steering group of this project will provide the contractor with a springboard to reach out to stakeholders such as the LEP Network, the ONS, Government departments and their analysts, academics, and OGDs for guidance on identifying the indicators and for advice on a narrative.

Phase 2

Following the successful development of a framework, Phase 2 will deliver a report in the most suitable format to present the project's findings.
We expect this to have adequate branding, infographics, and separately include an excel file with indicators arranged by dimensions corresponding to the foundations of the Government's Industrial Strategy (people, ideas, infrastructure and business environment).
The final report will provide a flowing narrative of the geography of economic performance in England, considering how geographical disparities in the distribution of dimensions/foundations explain the overall performance of geographical areas corresponding to the current local enterprise partnership boundaries.

Deliverables

The contractor is to ensure the following research resources and awareness tools are included in the costings for this project:

- Excel file with indicators
- Infographics
- Quality assured report
- Presentation at a BEIS internal seminar

The contractor expects an inception meeting in Week 0 and subsequent steering group meetings every 4 weeks, with project management conference calls in the interim fortnight.

Phase 1 Start – 22nd February 2019
Phase 1 End – 22nd April 2019
Phase 2 Start – 29th April 2019
Phase 2 End – 29th May 2019

Publication

The final report for this research / evaluation project must be formatted according to BEIS publication guidelines, therefore within the Research paper series template and adhering to BEIS accessibility requirements for all publications on GOV.UK. The publication template will be provided by the project manager. Please ensure you note the following in terms of accessibility:

Checklist for Word accessibility

Word documents supplied to BEIS will be assessed for accessibility upon receipt. Documents which do not meet one or more of the following checkpoints will be returned to you for re-working at your own cost.

- document reads logically when reflowed or rendered by text-to-speech software

- language is set to English (in File > Properties > Advanced)
- structural elements of document are properly tagged (headings, titles, lists etc)
- all images/figures have either alternative text or an appropriate caption
- tables are correctly tagged to represent the table structure
- text is left aligned, not justified
- document avoids excessive use of capitalised, underlined or italicised text
- hyperlinks are spelt out (e.g. in a footnote or endnote)
- Datasets to support those to be published in the final report must be provided in an accessible format (CVS; Excel) on submission of the report.