

Skills Policy Report

Invitation to Tender



Document Information

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1 Background to the Project

Innovate UK KTN connects ideas, people and communities to drive innovation that changes lives.

Innovation is complex. The journey from idea to market is not straightforward and requires a diverse range of know-how, investment, market knowledge and research. Innovate UK KTN exists to connect innovators with new partners and new opportunities beyond their existing thinking – accelerating ambitious ideas into real-world solutions.

The future holds both challenges and opportunities. We are passionate about working with innovative businesses to overcome these challenges and shape the opportunities and solutions that follow.

Our vision is to create a network of innovators so powerful its ideas will change the world.

While business is at the heart of our work, our diverse connections span government, funders, research and the third sector. This unrivalled overview and connectivity enable us to be a trusted guide through a complex global landscape of research, development and innovation.



To strengthen our role as a trusted guide, we are looking to develop and share insights that will help improve the innovation policy environment in the UK and enable businesses to innovate more effectively.

2 Description of work

This tender seeks proposals by which the successful supplier will research and deliver a report focused on skills policy identifying the policy levers and initiatives that will support R&D intensive businesses in the UK to thrive and scale up.

The report will be used by policymakers to make a positive change in the post-16 skills policy ecosystem, by **looking at the skills challenges and needs of R&D intensive businesses and offering potential solutions**. It will cover two main areas: (1) the overarching skills needs of the R&D intensive businesses in the UK, and (2) a comparative qualitative assessment of how 3 to 5 other countries address these via different government levers.

The outcome of this research will be a **list of policy recommendations** which can be implemented by policymakers to address current shortfalls in the skills ecosystem and supercharge the UK's R&D intensive businesses.

A useful guide to define the scope of the research is the OECD categorisation¹ of **high R&D intensive and medium-high R&D intensive sectors**. As per OECD definition, these are:

- Industries considered high R&D intensive:
 - Air and spacecraft (ISIC² 303)
 - Scientific research and development (ISIC 72)
 - Software publishing (ISIC 582)
 - Pharmaceuticals (ISIC 21)
 - Computer, electronic and optical products (ISIC 26)
- Industries considered medium-high R&D intensive:
 - Motor vehicles and trailers (ISIC 29)
 - Medical and dental instruments (ISIC 325)
 - Machinery and equipment (ISIC 28)
 - Chemicals (ISIC 20)
 - Electrical equipment (ISIC 27)
 - IT and other information services (ISIC 62-63)
 - Railroad, military vehicles, and transport (ISICs 302, 304, 309)

¹ [OECD Taxonomy of Economic Activities based on R&D Intensity \(OECD, 2016\)](#)

² [International Standard Industrial Classification \(ISIC\) Revision 4 \(UN, 2008\)](#)

- Given the UK's industrial composition, the services industries (such as fintech, but not exclusively) should also be considered in this assessment to ensure the relevance of the conclusions and the impact of their applicability in policymaking.

Human capital has a great impact on national R&D performance. Challenges to attracting, hiring and retaining professionals with adequate skills impact R&D intensive businesses' operations, investment levels, and growth.

The UK is one of the most attractive places to work for highly skilled professionals. Nevertheless, the country's business community has been facing a growing skills mismatch in STEM over the last decades, with an increasing number of businesses across the board citing recruitment difficulties as a barrier to innovation. Estimations predict that the UK will need over 150,000 additional R&D jobs over the next 10 years.

This research piece will seek to **identify key skills policies** that support R&D intensive businesses, by assessing and comparing the policy tools used by **3 to 5 other countries** with a strong innovative ecosystem, talent attraction and/or R&D intensive business base, and drawing recommendations on the applicability of good policy practices to the UK.

We want the successful supplier to develop a comprehensive research report by:

1. **Identifying the skills issues that R&D intensive businesses in the UK face³:**
 - a. X specific skills gaps or shortages
 - b. X critical skills needed to thrive in these industries
 - c. X emerging skills needs (next 5 years)
2. **Assessing and identifying key skills policy levers via international comparison:**
 - a. Selecting the appropriate 3 to 5 countries for this piece of work
 - b. Qualitative comparative analysis of the countries' skills policies
 - c. Linking the selected skills policies with the UK's R&D intensive industries' identified skills needs of the (point 1):
 - i. How have other countries made use of government levers and industry structures to address the R&D intensive businesses skills issues and promote growth
3. **Recommendations for UK policymakers**
 - a. Indicating policies that can reduce R&D intensive industries' skills-related challenges, including identifying strengths and opportunities for the UK

³ This skills assessment can be cross-cutting or by grouping R&D intensive industries in different categories.



All sections of the report must maintain the **business focus** outlined in the proposal description. The overarching goal of all our work is to champion businesses and support them in their innovation journey by improving the innovation policy in the UK.

2.1 Phase 1: Design

1. Kick-off meeting with the Head of KTN Futures team and Policy analyst to agree on roles and ways of working.
2. Designing the scope of sectors, countries and policies that will be included in the research with the KTN Futures team.
 - a. Including a workshop session with the KTN Policy analyst.
3. Co-designing the format of the report with the KTN Futures Policy analyst.
4. Collating and analysing R&D intensive industries' needs and skills policies in the selected countries.

2.2 Phase 2: Delivery

1. Providing the written report in a format that can be shared publicly with government departments and other stakeholders.
2. Providing a verbal presentation on findings to the KTN Futures team and the Innovate UK Head of Innovation Talent & Skills, with recommendations for policy change.
3. Innovate UK KTN will then lead on follow-up stakeholder engagement to disseminate the report and its findings.

3 Activity Timings & Outputs

The project is planned to commence on 9th January 2023 and to be completed by 31st March 2023.

4 Cost Allocations

The successful proposal will not exceed £70,000 excluding VAT.

The Contract will be awarded in accordance with a pricing proposal for the successful service provider. Payment will be dependent upon the successful delivery and approval by the KTN as below:

- 20% on signature of the contract
- 30% upon approval of the first iteration of the report
- 50% upon approval of the publication version of the report

5 Submission

In response to this invitation to tender please provide the following information. Shortlisted suppliers will then be invited to pitch to KTN before a final decision is made. These pitches are expected to take place w/c 14th November online. A final decision is due to be made by 25th November.

1. Technical capability, including:
 - a. A brief description of how you would meet the deliverables
 - b. Evidence of past relevant work, including references
 - c. Competency, qualifications and accreditation certification
2. Staff resources
 - a. resumes of the people who will undertake the work
 - b. company organisational chart
3. Legal details
 - a. Litigation claims and other disputes in progress.
 - b. Ownership of any relevant intellectual property; patents; and licences required to carry out the work.
 - c. Insurances in place
 - d. Any potential conflicts of interest and how these might be successfully mitigated
4. Schedule of rates
 - a. Cost breakdown for the deliverables, above
5. Additional information
 - a. Any additional service you could provide that would enhance the deliverables

6 Key Milestones

The response to the ITT should be emailed to georgina.navalles@ktn-uk.org before noon on the 4th November 2022.

Shortlisted suppliers will then be invited to pitch to KTN before a final decision is made. These pitches are expected to take place w/c 14th November online. A final decision is due to be made by 25th November.

7 Evaluation structure

Mandatory requirements:



- Satisfactory health and safety (pass/fail)
- Cybersecurity accreditation (pass/fail)

Evaluation criteria

- Previous relevant experience (25%)
- Relevant skills of the team (15%)
- Project team structure (10%)
- Understanding of proposed requirements (20%)
- Methodology proposed (10%)
- Additional services (10%)
- Legal aspects (10%)

8 Terms and Conditions

This invitation to Quote is subject to “KTN’ s Terms and Conditions of Contractor Engagement - Company Edition” , which are provided separately.