

DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

Part 1: Letter of Appointment

Dear [REDACTED]

Letter of Appointment

This letter of Appointment dated Thursday, 10th February 2022, is issued in accordance with the provisions of the DPS Agreement (RM6018) between CCS and the Supplier.

Capitalised terms and expressions used in this letter have the same meanings as in the Contract Terms unless the context otherwise requires.

Order Number:	PS21268
From:	Department of Business Energy and Industrial Strategy , 1 Victoria St, Westminster, London, SW1H 0ET ("Customer")
To:	Behavioural Insights Limited of 4 Matthew Parker Street, London, United Kingdom, SW1H 9NP ("Supplier")

Effective Date:	Thursday, 10 th February 2022
Expiry Date:	Monday, 31 st March 2025

Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: The Customer's Project Specification attached at Appendix A and the Supplier's Proposal attached at Appendix B.
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Key Individuals:	[REDACTED] (BEIS) [REDACTED] (Behavioural Insights Limited)
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Contract Charges (including any applicable discount(s), but excluding VAT):	As per AW5.2 Price Schedule response highlighted within the RM6018 Contract Terms, section; Annex 1 – Contract Charges. The total value of this contract shall not exceed £229,830.09 excluding VAT. [REDACTED] Invoices shall only be paid upon satisfactory receipt of each
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	deliverable specified in Annex 1 – Contract Charges.
Insurance Requirements	<p>Additional public liability insurance to cover all risks in the performance of the Contract, with a minimum limit of £5 million for each individual claim.</p> <p>Additional employers' liability insurance with a minimum limit of £5 million indemnity.</p> <p>Additional professional indemnity insurance adequate to cover all risks in the performance of the Contract with a minimum limit of indemnity of £2 million for each individual claim.</p> <p>Product liability insurance cover all risks in the provision of Deliverables under the Contract, with a minimum limit of £5 million for each individual claim.</p>
Liability Requirements	Suppliers limitation of Liability (Clause 18.2 of the Contract Terms);
Special Clause	<p>This programme will run over four financial years up to March 2025 (Y21/22, Y22/23, Y23/24, Y24/25). There will be break clauses at the end of each financial year to take into account future budget decisions.</p> <p>Break clauses will also be included after delivery of the experiment protocol (April 22) and at the end of the pilot stages (May 2022 or later if other pilots are proposed by bidder) in the event that the experiment does not achieve the desired response and it is decided not to proceed with trials as they would not deliver useful results.</p>
Customer billing address for invoicing:	All invoices should be sent to should be sent to finance@services.ukpbs.co.uk or Billingham (UKPBS, Queensway House, West Precinct, Billingham, TS23 2NF).
GDPR	As per Contract Terms Schedule 7 (Processing, Personal Data and Data Subjects.

FORMATION OF CONTRACT

BY SIGNING AND RETURNING THIS LETTER OF APPOINTMENT (which may be done by electronic means) the Supplier agrees to enter a Contract with the Customer to provide the Services in accordance with the terms of this letter and the Contract Terms.

The Parties hereby acknowledge and agree that they have read this letter and the Contract Terms.

The Parties hereby acknowledge and agree that this Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of this letter from the Supplier within two (2) Working Days from such receipt

For and on behalf of the Supplier:

Name and Title:

[Redacted]

Signature:

[Redacted]

Date:

11/02/2022

For and on behalf of the Customer:

Name and Title:

[Redacted]

Director Business Growth

Signature:

[Redacted]

Date:

11 February 2022

APPENDIX A

Customer Project Specification (as advertised)

1. Background

The UK has a long-standing productivity gap compared with major competitors in the G7. In 2016 the ONS estimated that labour productivity is on average 18% higher in the other six members of the G7 relative to the UK. BEIS is in the process of launching two programmes to help businesses recover from the Covid-19 pandemic and increase growth and productivity.

Help to Grow: Management will deliver an intensive national training course to improve SME leadership and management skills and address firm level productivity challenges. The course will aim to help 30,000 SMEs across the lifetime of the programme and launched at the end of June 2021. We have procured an evaluation contractor to produce data collection tools, conduct process and impact evaluation and who will most likely use a mixed methods quasi experimental approach e.g. propensity score matching (PSM) and theory based methods to identify a counterfactual and measure impact.

Help to Grow: Digital will provide information and advice to SMEs to help them understand their digital technology needs. The platform will also offer a financial discount that provides SMEs with a discount of up to £5,000, covering 50% of the cost of a technology solution from a pre-approved list of vendors for up to a year. The discount will be available for up to 100,000 SMEs over three years and will launch in December 2021. An evaluator will be joining the programme imminently and will produce data collection tools and conduct process and impact evaluation. We have taken a mixed methods evaluation approach involving quasi-experimental methods (likely to involve propensity score matching) and theory-based methods.

The two programmes also present an opportunity to measure impact using a Randomised Encouragement Design (RED) approach and this is the focus of this Invitation to Tender. Running across both Help to Grow programmes, the project aims to (1) plan and design an RED experiment and protocol (2) learn lessons from an initial RED pilot to generate insight to inform the successful implementation of the protocol and (3) implement and run the protocol across the lifetime of the programme. The RED plan should consider programme delivery and the existing communications strategies and provide insights on how best to run a trial at this scale.

To note, both Help to Grow programmes will have separate process and impact evaluations running simultaneously, likely taking a propensity score matching approach, as previously described. This RED project will complement these evaluations and also provide key insights into running a randomisation experiment of this nature at mass scale to inform future practice. The Theory of Change of each of the programmes can be found in the appendix.

The RED experiment protocol should be proportionate to the scale and significance of the programme and offer value for money. The project will provide policymakers with a deeper understanding of:

- the impact of the RED communications method (in driving additional take-up to the programmes);
- the impact of the programmes on business outcomes through the creation of a randomly-assigned treatment and control group - this will need to be assessed in the future beyond the end of this contract, and so this is about putting the necessary measures in place to enable this impact assessment to be undertaken;
- evidence on best practice of applying experimental approaches to business support.

To support the trial, HMRC's business taxpayer data will be utilised and accessed solely through specific BEIS analysts with appropriate security clearance who will undertake data processing and

produce outputs to support the contractors in delivering this project. The use of this dataset ("DECA data") should be assumed to be the primary dataset, with supplementary data needs to be considered in addition.

The HMRC DECA data includes variables on turnover, employment and productivity (a proxy measure) and has almost complete coverage of these variables for approximately 300k businesses in the target population for Help to Grow.

The BEIS analysts with access to HMRC data would therefore play a key role in implementing the RED protocol, for example in:

- Advising on the feasibility of the RED protocol and impact evaluation metrics;
- Randomly assigning businesses to the treatment and control groups and passing the lists to the HMRC operational team to send letters to the treatment group businesses and encourage them to apply;
- Matching beneficiary data back in with the HMRC tax data to provide details on the composition and characteristics of the treatment and control groups;
- Providing aggregate and non-disclosive data to the contractor to reflect the composition of desired business groups / impact.

As HMRC data and operational capability will be utilised for the RED experiment, they form a key partner in the delivery of the RED experiment and will be writing out to selected businesses on behalf of the Help to Grow program. This project aligns with HMRC's growth objective.

Contractual break clauses

We have included a break clause in the contract at the end of each financial year (2021/22 to 2024/25) to take into account future budget confirmation.

Break clauses will also be included after delivery of the experiment protocol (April 22) and at the end of the pilot stages (May 2022 or later if other pilots are proposed by bidder) in the event that the experiment does not achieve the desired response and it is decided not to proceed with trials as they would not deliver useful results.

However, it is our intention to complete the contract.

Further detail on Help to Grow Management

The Help to Grow Management programme

Up to 30,000 SMEs can take part across the lifetime of the Help to Grow Management course. To take part in the programme, businesses and the participant must:

- Have between 5- 249 employees
- Have been in operation for at least a year
- Select a decision maker in the business e.g. CEO/ finance director as the attendee
- Have at least one line management in business employment structure

The eligibility criteria is selected to ensure businesses are capable of enacting changes. Participants will also need to pay £750 to get onto the course.

Businesses, including those that previously expressed an EOI, can apply directly to the programme via the national website at (<https://smallbusinesscharter.org/help-to-grow-management/>). Participants must select a cohort date and complete a full registration form. All registrations are sent to their nearest participating business school to check eligibility. If successful, schools offer

businesses a place on the course along with payment details. Business Schools report data back on both successful and ineligible businesses on the back end of the website. Full data sharing details will be discussed with the successful bidder.

Participants will be recruited on a rolling basis and will receive 32 hours of formal training. The programme will be delivered in a blended learning format. Modules are delivered online via a Virtual Learning Environment (VLE) and participants take part in workshops, webinars, peer group calls and face to face sessions (as covid restrictions ease). Businesses will also be assigned to a mentor where they can seek longer term one-to-one support. Participants will also benefit from access to an alumni community to continue their learning after their course. The programme currently consists of 12 weekly modules in total.

Approximately 30 business schools will deliver the scheme by the end of the year. The Chartered Association of Business Schools (CABS) is our main delivery partner that oversees delivery amongst business schools, and delivery of the virtual learning platform. The participant journey is attached in the annex below and subject to change. Data collection protocols are in the process of being established and will be confirmed at the inception meeting.

Help to Grow Management Comms strategy and campaign

The marketing channel mix will include social, search, audio (radio ads) and media partnerships, supported by stakeholder partnership activity and press engagement. Activity will be upweighted in Autumn 2021 to help generate Expressions of Interest in the programme, which convert into registrations and enrolments either on site or through direct contact with the Chartered Institute of Business Schools (CABS) or Business Schools.

We are currently tracking the effectiveness of Help to Grow Management communications through a number of data points/sources including:

- Monthly tracking research through Cabinet Office's Savanta Business Polling and BEIS' Kantar Priorities tracker
- Agency data including media dashboards (fortnightly) and modelled planning data for delivery
- Digital and site analytics including Google Analytics, social media monitoring, UMT tracking and website tagging
- Social media monitoring through Brandwatch and regular feedback through stakeholder channels
- Working with Chartered Institute of Business Schools and Business Schools themselves for performance data and EOI conversion

There are a number of considerations for data points that could be relevant for the RED experiment:

- In line with data regulations, data tracking across some communication channels including social media, media, external affairs and advertising cannot identify individual businesses or individuals to separate them from the trial.
- Direct communications (telesales and direct mail) being undertaken by Chartered Association of Business Schools are being generated from a CRM database and can track individual businesses. Data sharing for the trial will be dependent on legally compliant data sharing agreements between BEIS and these institutions. We are receiving information from schools currently.
- We are working with partners such as Natwest, HSBC and Barclays to explore ways of reaching their business banking customers, e.g. through one to one conversations with their Relationship Managers. We will need to explore with the banks whether data could be shared about these conversations with individual businesses.

BEIS Communications Teams have conducted concept testing and messaging research through a series of focus groups to increase the cost-effectiveness of existing communications methods, but this might also feed into consideration of the messaging to use in of HMRC-issued letters.

Further detail on Help to Grow Digital

The Help to Grow Digital programme

Help to Grow Digital will fully launch in December 2021 and will run until November 2024. The programme will involve:

- Information and advice incentive: an online platform to provide SMEs with information, advice and guidance to help them understand their digital technology needs, select relevant software solutions and effectively implement them in their business; and
- Financial incentive: Under the scheme, SMEs will be provided with a financial discount worth up to £5,000 covering 50% of the cost of approved software from a list of technology vendors.

Financial discounts on approved software will be available to up to 100,000 SMEs over three years.

The platform will provide support for a number of tried and tested approved technology products from eligible technology vendors. This will include Customer Relationship Management (CRM) and Digital Accounting software from launch, with e-commerce software being added soon thereafter. Further technologies may be brought into scope of the discount. Through engagement with the information and advice provision through the online platform, SMEs will be able to determine the technology solutions that work best for them. The online platform will include a diagnostic, and technology product comparison tool to assist SMEs in filtering down to a short list of relevant approved products based on their needs and then claim the discount against one of these. The platform will act as the route for SMEs to apply for discounts in the selected product categories.

The financial discount scheme will be designed so that it has the flexibility to evolve over time through a phased approach, as we learn more about SME user vendor and technology market needs and requirements. Options for how best to deliver more tailored advice for SMEs and any costs associated are being explored for future waves. Improvements and technical updates to the online platform and delivery partner services will be made continuously, but major changes to the discount scheme's scope, design and eligibility criteria will be released in waves (see timings section).

The financial discount scheme will follow a first come first-served model (not a competitive model): eligible SMEs submit their applications to access the discount. The eligibility criteria (yet to be advertised) will be as follows:

- Have between 5-249 employees
- Registered in UK at Companies House or a registered society listed on the Financial Conduct Authority's Mutuals Register
- Have been trading for more than 12 months prior to date of application
- Are purchasing the approved software for the first time.

Vendors will submit the application for specific products to be approved for the scheme that will go through an assessment process.

Help to Grow Digital Comms strategy and campaign

Help to Grow Digital marketing campaigns will also be taking place to drive awareness and engagement. The aim of the marketing strategy for Help to Grow: Digital is to reach SMEs who are unlikely to hear about the scheme through traditional channels such as government, main business groups and trade bodies. These hard-to-reach SMEs will be targeted through a variety of non-

traditional engagements routes. Further details about the communication strategy will become available once the successful bidder has onboarded.

Programme Monitoring

The programmes will be reviewed regularly by the policy team, with further review points to be confirmed. Monitoring evidence will be required to feed into this review. Due to the high-profile nature of the programmes, the successful bidder should expect to produce and feed in ad hoc findings for policy/delivery partners where feasible, including for this project.

2. Aims and Objectives of the Project

The overarching aim of the project is to evaluate the impact of both Help to Grow programmes on participant productivity (both schemes) and turnover (Help to Grow Management only) using randomised encouragement design and thereby to ultimately enable an evaluation of the value for money of the programmes.

The project aim covered within this brief is to design and run a robust and suitable RED experiment to encourage a random selection of eligible businesses to apply to the programmes with the overarching aim central to the design.

Given the long lag time expected for changes to business productivity and turnover (around three to seven years) the undertaking of the long-term value for money and impact evaluation will not be covered in this contract.

The main objectives are to:

1. Conduct a literature review of any applications of RED internationally to business support
2. Design a RED experiment approach for both Help to Grow programmes which can be implemented in 2022, considering potential overlaps in take up of the two programmes
3. Produce the accompanying documentation e.g. RED experiment protocol, ensuring that this will allow the short and long term evaluation objectives to be met (see below).
4. Run the entirety of the RED experiment using DECA (HMRC) data, working with the embedded government analysts who will access the data
5. Undertake evaluation of the effectiveness of the encouragement letter, making adjustments to the plan as needed
6. Provide analytical and operational support to the DECA analysts

The project will answer the following high level questions:

1. HLQ1 - How can RED experiments be applied effectively for business support programmes?
2. HLQ2 - In what way do encouragements impact enrolments to the Help to Grow: Management programme? (short term evaluation of encouragement)
3. HLQ3 - In what way do encouragements impact applications for the Help to Grow Digital financial discount? (short term evaluation of encouragement)
4. HLQ4 - What is the impact on businesses' productivity and turnover in response to receiving the encouragement and joining the programme? (long term evaluation of programme – outside of scope of contract)

5. HLQ5 - Is the encouragement of businesses towards the two programmes (Management and Digital) cost-effective? (long term evaluation of programme – outside of scope of contract)

Literature review

The literature review will consider the applications of Randomised Encouragement Designs in evaluating business support packages both within the UK and internationally. It will consider relevant studies which may provide evidence in support of these trial designs as well as providing considerations which may be used in devising the RED trial. Ideally any findings will be specific to the SME population given the Help to Grow initiatives are for businesses that employ between 5 and 249 employees.

RED experiment plan

The RED experiment will need to be planned in sufficient detail and outline the high level and detailed steps to be taken to deliver piloting and a full-scale trial. The long term evaluation will be central to the design and activity outlined within the RED experiment plan will need to ensure future assessment of impact is possible. It will be practical and immediately implementable.

The RED design will need to consider the following:

1. Other than the letter encouragement, what other encouragements should be considered as part of a trial, if any?
2. What is the most appropriate and deliverable RED experiment protocol for the existing programme designs, and why?
3. How can RED experiment build on a COM-B model of behaviour? Are there other behavioural methods or insights we should use?
4. How would the RED approach impact on programme delivery given that other methods may be used to recruit businesses onto the programme to achieve annual take-up and application targets?
5. What are the key challenges in undertaking a RED experiment and how would these be overcome? Identify the risks and issues to the successful delivery and usefulness of an evaluation and how these could be overcome.
6. When would be the most appropriate timings to launch encouragements for each of the Help to Grow programmes (Management and Digital), both for the operational capacity of the provider but also to ensure that we maximise the potential to successfully evaluate the long term outcomes?
7. What magnitude does the expected take up in response to a letter encouragement (enrolment to the Management scheme or discount application for the Digital scheme) need to be, within the treatment and control group, in order to conduct an effective RED trial?
8. How will the plan take into consideration the regional availability and demand of Help to Grow Management courses?
9. What is the most effective messaging needed to increase take up on the programmes?
10. Who, within the business, should the messaging be sent out to?
11. How will the RED experiment work around potential national and regional advertising (as well as other factors) that may pollute the outcomes of the pilots and trials?
12. In addition to the DECA data, what data needs to be collected and how?

- a. What data already exists (and is likely to be available) and what programme data and additional data needs to be collected from beneficiaries and counterfactuals to support the required evaluation activities?
 - b. What approach should be taken to data collection (e.g. linking data, periods between encouragements and tracking data, etc)
13. How can repeat encouragements be best utilised e.g. through staggering across each of the three years of the Help to Grow schemes? How will this affect the results?
 14. How do we evaluate participant engagement if encouraged towards one programme (e.g. Help To Grow Management) and another programme (e.g. Help To Grow Digital) is then also/instead applied to?
 15. How will the RED experiment be designed for the longer term objective to measure the impact of the programmes on productivity and turnover of businesses?
 16. How will the RED experiment be designed for monitoring of the programmes e.g. of enrolment to the Management scheme and discount application for the Digital scheme?
 17. How would small-scale randomised control trials of specific elements of the programmes that BEIS may wish to conduct (which are not expected to be delivered within this contract) work alongside the broader RED experiment?

As part of the RED experiment design stage, any necessary statistical calculations such as power, sample size and minimum detectable effect size will need to be referenced, made and presented. This is in order to ensure statistical significance of outputs can be determined.

The plan will also need to clearly outline the analytical approach to the evaluation of the programme from the outset though this will not be conducted by the contractor due to the time it may take for business benefits to be realised.

Some of this thinking will have already been undertaken by the DECA analysts (and policy officials) so the contractor will have to work closely with them and pool expertise to develop the final plan.

RED Experiment Protocol

A RED experiment protocol, will be written in full by the successful contractor and will set out the RED experiment in the form of a document of publishable standard. It will be written clearly and concisely providing sufficient detail on methods, data, theory of change, evaluation methodology etc.

Running the RED pilot(s) and full-scale trial

In terms of running the experiment, DECA analysts and BEIS policy officials will support with some of the operational components given the working relationship with HMRC, who would issue any letter encouragements.

A pilot of 10,000 businesses (5,000 of which will receive an HMRC-issued letter) is currently being planned for Help to Grow Management in January 2022. If timing permits, the successful contractors will support with the running of this pilot and provide expertise for any necessary changes to ensure that a feasibility test and initial take-up rate assessment can be performed.

A Help to Grow Digital pilot is being considered for February or March, although this is not currently set in stone. No other RED pilots or trials are currently being planned and therefore the remainder of the RED experiment will be as outlined in the plan devised by the successful contractor.

Should the pilots show unsuccessful results (e.g. very low response rate), then a full-scale trial may need to be reconsidered. The contractor will need to set out and agree with BEIS what results may be deemed successful and unsuccessful.

Evaluations of the encouragement

Evaluations of the encouragement will be required to test that the encouragements have the necessary impact i.e. that they generate a higher take-up rate in the treatment group than the control group. The contractors will support in undertaking these evaluations and produce a slide deck and presentation of the outcomes after each encouragement activity. Depending on the outcomes, we may wish to consider whether behavioural messaging could increase the response rate.

Analytical and operational support

DECA analysts with access to the HMRC data will perform the random selections of businesses and undertake the evaluation set out in the RED plan. The successful contractor will work closely with and support the DECA analysts in carrying out any of the data- or analysis-related tasks, without direct access to this data.

This may include providing specifications for the random encouragement selections, providing formulae for the analysts to calculate using the data or requesting specific aggregated and non-disclosive inputs for the contractor's own calculations. It will include support for the short term evaluation of take-up rate of the schemes in response to the letter. Analysts may also request review of any analytical calculations that the contractor has performed for sense checking and validation.

3. Suggested Methodology

Randomised Encouragement Design

A randomised encouragement design is a research design in which both treatment and control businesses have access to the programme, but some businesses are randomly assigned to receive encouragement to take up the program. In other words, rather than randomly assigning access to the programme (as in an RCT), we would randomly assign an encouragement. The encouragement can be a small incentive, letter, postcard, or phone call that reminds people of their eligibility and details steps to enrol in the programme. Effective encouragement should lead to higher take-up of the programme in the treatment group than in the control group.

Like in a traditional RCT, both the treatment and control groups are comprised of eligible businesses who are not enrolled in Help to Grow Management at the start of the trial. However, unlike in a traditional RCT, the control group does not lose access to Help to Grow Management. The intervention does not limit the usual encouragement and assistance that the control businesses might encounter, and they can still apply for the programme.

When estimating the impact of Help to Grow Management, we would compare the entire treatment group to the entire control group. Businesses in the treatment group who receive the encouragement but do not apply for Help to Grow Management must still be considered a part of the treatment group when analysing the results. Similarly, individuals in the control group who decide to apply for Help to Grow Management must remain in the control group for analysis.

To generate impact estimates, the encouragement must induce significantly higher take-up rates (i.e. the proportion of eligible businesses who sign up for Help to Grow Management) in the treatment group compared to the control group. If, for example, 30 percent of treatment businesses apply for and are ultimately enrolled in Help to Grow Management and 28 percent of control businesses decide to apply and are ultimately enrolled in Help to Grow Management, this difference in take-up rates will likely not be sufficient to evaluate Help to Grow Management's

impact. This is because the treatment and control groups will have a similar proportion of businesses in the programme and there will not be enough variation to identify the impact.

There is no flexibility around the use of Randomised Encouragement Design for this experiment as analysts have already undertaken initial thinking around the design which has been agreed to by senior stakeholders. Although an HMRC-issued letter has been selected as the encouragement, it does not preclude other suggestions from being tested in addition although email is not likely to be successful due to reasons explained further below.

Data

DECA (HMRC) data

The “DECA project” refers to a unique arrangement in which a small number of BEIS staff on secondment to HMRC are permitted to operate within HMRC and have access to HMRC tax data on businesses. The database created within DECA currently includes all active businesses registered on Companies House, plus those that have ceased since 2013.

The data covers around 8 million businesses and around 450 variables on a range of businesses’ demographics and financials although many of these variables have not been fully quality assured as they come straight from administrative data. The back series of data spans at least seven years, depending on the variable and data source. Some of the variables included are:

1. Number of employees
2. Length of tenure of company directors
3. Wages, pensions and other staff costs
4. Sector
5. Region
6. Incorporation date
7. Parent/subsidiary status
8. Turnover
9. Profits & Losses
10. Research and Development tax credits

We can use HMRC’s rich and comprehensive data on businesses to segment the market e.g. by size, sector, region or productivity, and then target our encouragements at these segments about the programmes. We have provisions within the DECA project to send out HMRC letters as our form of encouragement to a segmented group of businesses. We have run previous messaging trial projects that used these data to target high growth businesses for Scale Up support and had a higher response rate than comparable advertising strategies.

As part of the registration and application processes for Help to Grow, the Companies House reference number (CRN) of all new Help to Grow participants will be collected, and once the appropriate data sharing agreements are in place the list of these businesses’ CRNs can be regularly run against the DECA data to identify those that are in the treatment and control groups. This allows the take-up rates in each of the groups to be calculated and prevents participants in the treatment group from receiving further encouragement.

Due to legislation, we cannot pass the list of businesses we derive from the DECA data segmentation to BEIS or any other parties including the successful candidate and so HMRC will write out to businesses on our behalf. The letters will be drafted by us with assistance and behavioural insights expertise provided by the successful bidder. The letter will be agreed between HMRC and BEIS and signed off by a senior Civil Servant from each department.

We will not be using emails as HMRC’s email platform has been utilised in previous trials and was deemed not suitable for future campaigns. We will need to give HMRC several weeks advance notice of our plans so that they can plan in operational activity and provide approval.

Outcome data

The key outcomes that we are ultimately interested in are business *turnover and productivity* although potential changes are not expected to materialise for at least three years and with potential time lags in reporting this could be longer. This data will be accessed using the DECA data though evaluating the impact on outcomes is not part of this contract.

Eligibility data

We would need a list of all eligible businesses and their contact details in order to be able to run the encouragement intervention. The current plan is to use the DECA data as this holds the most comprehensive data on businesses.

Take up data

We will also need data on which of the c500,000 eligible SMEs in the wider business population received the encouragement intervention and also whether they applied/enrolled in the programmes. BEIS is currently in the process of agreeing to data sharing with programme data providers such that this data can be matched in with the DECA data and factored into planning and analysis. If it transpires that either Help to Grow scheme is oversubscribed, then we will also need to know which businesses applied and were turned away.

We are open to other forms of encouragement should it easily allow us to then match businesses against admin data. Bidders should outline ideas that they would wish to explore or use within their bids.

Methodology and deliverables

Please note that the below is intended as a guide and we welcome alternative suggestions, providing that they also meet the project aims and objectives. Suppliers are required to set out a written approach of their choice with clear justification within their proposals.

Phase 1: Pilots and background research (February to March 2022)

Steering and informing pilot messaging campaigns (February to March 2022)

- We want to undertake a pilot of the end-to-end process before we implement a full RED approach using the DECA data to iron out any wrinkles so that they do not affect the trial. We expect that the messaging pilot may contact 5,000 businesses. It is likely that this will be in field as the contractor is appointed so the pilot may provide a learning opportunity in forming the RED plan rather than require direct steer or input from the contractor.
- The successful bidder will:
 - Work with HMRC, BEIS and other delivery partners to assess the learning from the Help to Grow Management RED pilot in January 2022, that will be tested using HMRC-issued letters with a small subset of businesses.
 - Use expertise in behavioural insights to advise on future messaging development.
 - Support DECA colleagues on segmenting any future messaging pilot population and advise on scheduling of messaging trials.
 - Work with delivery partners and core evaluation partners to adjust data collection tools if needed, for example refining questions within the registration form.
 - Work with BEIS comms colleagues and analysts to develop a plan to minimise the impact of trial 'pollution' by wider marketing or other activity. This may require early coordination due to comms planning timelines (see timings section). We would prefer changes to comms activities to be kept to a minimum where possible to ensure that take-up is in line with programme capacity (particularly for Help to Grow Management), though this can be discussed.

- Advise delivery partners and BEIS colleagues on data sharing and data processing protocols during the RED pilot.
- The successful bidder will also help design and shape a potential Help to Grow Digital RED pilot, likely to take place in February or March 2022.
- Given both pilots will be in planning or implementation stages at the time the successful bidder is onboarded, it is not expected that the bidder should fully control the pilots. They should however offer their expertise to ensure that any pilot activities provide insight to support the RED experiment plan.

Literature Review (February 2022)

- The successful bidder will undertake a thorough literature review of relevant applications of RED experiments related to business support. They will consider international evidence to provide comparison to how RED could be applied in different contexts.
- All sources included in the literature review will be clearly referenced and summarised in a reasonable amount of detail.
- The bidder will be expected to produce a written report of the literature review. The report will be clearly and concisely written providing sufficient detail on the range of sources considered, summarising the context and findings, highlighting the appropriateness to this RED trial and applicability. The literature review report will be of publishable standard and clear quality standards will be expected.

Phase 2: Plan and Protocol (March to May 2022)

RED Experiment Plan (March to April 2022)

- The contractor should use key literature and learning from previous DECA trials, and from the pilots, taking into account key considerations, interdependencies, to devise and shape a RED experiment plan.
- The planning stage should involve:
 - A discussion of possible approaches to randomised encouragement design.
 - Speaking with BEIS colleagues who have conducted some initial thinking internally on how the randomised encouragement design might work in practice. This will be shared with the winning bidder upon inception for further development.
 - Consideration of the most appropriate timing for the full-scale RED trials within the experiment. This would include different points in the programme lifecycle and consider what year the preferred approaches should be implemented.
 - Consideration of how the Help to Grow Management and Help to Grow Digital RED evaluations might interlace and interact with each other.
 - The implications of the plan, including existing and potential barriers, delivery implications and costs. Bidders should give some consideration to this in their proposal.
 - Data implications, including any new data collection that might be required and the most appropriate approach to collection.
 - Analysis implications, including establishing additionality, power calculations of various approaches, feasibility with the current and projected take up rates, ability to draw conclusions.
 - Considerations for managing the plan including risks and challenges, opportunities, preferred expertise of delivering staff, potential stakeholders to consult for further

information on best practice etc. This section should also include geographical considerations in implementation and possible mitigations for high impact risks.

- Considerations on using DECA as part of their preferred approach, to provide a comprehensive dataset to use for segmentation, evaluation and random targeting.
- Bidders should outline their approach, including expected scope, aims and depth.
- Bidders may propose alternative deliverables or approaches but should justify this clearly.
- Given pilots will already be underway at the time that the plan is devised, it will be for contractors to iterate the plan as evidence on the response rate to the January and subsequent pilots unfold.
- The bidders will need to outline how their approach will deal with changes to the format of the experiment which currently assumes one pilot and one full-scale trial for each Help to Grow scheme. Changes that may be required, for instance, include to introduce additional pilots if scheme take-up in the treatment group is not sufficiently larger than that of the control group, testing a number of message variants.
- Bidders may wish to conduct consultations with key stakeholders and delivery partners to inform parts of the plan. Stakeholders may include government colleagues, evaluation experts, industry experts, think tanks, academics, etc.
- Please note that there may be 2-3 rounds of comments on the plan and this should be factored in to timelines. There are a number of different stakeholders that will want to clear outputs.
- Bidders will then present the plan to BEIS in an appropriate form e.g. PowerPoint slides and seek approval from BEIS ahead of writing this plan into the experiment protocol.

RED Experiment protocol (May 2022)

- The bidder will write up a full experiment protocol (exact format and length to be agreed). The protocol will take into account the considerations discussed in the planning stage, and be of sufficient detail that at the time of writing, an experiment may be carried out solely using the protocol.
- Bidders should outline their approach to the experiment protocol, indicating initial considerations, proposed sections and indicative timings. Bidders are encouraged to propose supporting deliverables to accompany the report such as case studies or other dissemination materials. The protocol will be subject to internal review. Bidders may wish to produce separate protocols for each programme given the appropriate reasoning.
- The protocol will be signed off by members of the Help to Grow evaluation advisory group, officials and reviewed any relevant peer review panels. The protocol may also go through the BEIS Peer Review Group for external peer review.
- If appropriate, contractors should produce a technical report outlining the methodology and any quantitative analysis in more detail. The reports should be of sufficient detail that any primary research or secondary analysis undertaken could be replicated by someone not involved in the project.
- Bidders will transfer an electronic copy of any data collected or produced during the planning stages, in line with GDPR requirements, allowing for personal data to be given to us and permission to recontact anyone if necessary for the full trials.

We welcome initial suggestions as to any further outputs and would expect to agree a final set of deliverables at the inception stage

Phase 3: Pilot evaluations, full-scale trial(s) and summary report (April 2022 onwards)

Messaging pilot evaluations (April and May 2022)

- The bidder will oversee the evaluation of the encouragements used in the pilots to assess the success of the pilots. They will support the DECA analysts to calculate the necessary statistics and perform the statistical hypothesis tests using the recruitment and encouragement data to determine whether the difference in scheme take-up between the treatment and control groups is large enough and statistically significant to be able to proceed to trial stage.
- The pilot findings, implications and recommendations of the pilot evaluation given the outcome should be considered and discussed with stakeholders, written up into a publishable standard interim report and delivered to stakeholders e.g. in the form of a presentation. The bidder may also wish to gain insights from those involved in the pilot, for example how business schools managed increases in take up, or for example exploring differences in the encouragement effect between different types of businesses.
- The reports will be signed off by members of the Help to Grow evaluation advisory group and officials from BEIS and HMRC. The reports will also go through the BEIS Peer Review Group (for external peer review) and review by HMRC (our key partner) before being published. Please note that there may be 2 to 3 rounds of comments on the reports and this should be factored in to timelines.
- If appropriate, contractors should produce a technical report outlining the methodology and any quantitative analysis in more detail. The reports should be of sufficient detail that any primary research or secondary analysis undertaken could be replicated by someone not involved in the project.
- Bidders will transfer an electronic copy of any data collected or produced during the pilot evaluation, in line with GDPR requirements, allowing for personal data to be given to us and permission to recontact anyone if necessary for the full trials.
- The bidder will revise the experiment protocol based on any learnings from the pilot report. As previously mentioned, the protocol should be of sufficient detail that at the time of writing, any trials may be carried out solely using the protocol.

Trials (June 2022 to March 2024)

- This phase relates to the implementation of the protocol, and its adaptation over time as needed, due to the way circumstances play out. We have assumed that this will be more resource intensive in 2022 than in the subsequent years in our outline project plan.
- The successful bidder will support BEIS, DECA and HMRC colleagues throughout the RED experiment for example by:
 - Advising on whether further encouragement scheduling or if additional encouragements should be deployed based on take up rates across the programme.
 - Managing the trial should demand vary, for example advising on communications strategy changes to accommodate the further rounds of encouragements or changes if demand exceeds supply.
 - Continuing to work with delivery and evaluation partners where needed.
 - (If applicable) Exploring other types of encouragement aside from a letter.
 - (if applicable) Adapting the trial should programme design change, for example if the eligibility criteria changes for one of the programmes.
- As the successful bidder would not be able to access the DECA data, they will not be able to conduct any planned or unplanned analysis. Instead there will be close collaboration where appropriate to ensure that segmentation of businesses is appropriate, and any early impact is conducted robustly.

- Bidders should outline some of the key considerations when managing the RED experiment at scale and offer mitigations where possible.

Final report (by March 2025 at the latest)

- The successful bidder will produce a final report outlining the key learnings from the whole RED experiment. The report should include analysis conducted by DECA colleagues and provide recommendations to aid future use of randomised encouragement design across government.
- The report will require close collaboration with DECA colleagues and should include some comparative analysis between RED and other evaluation methods in the business support space, for example drawing on evidence and insights from the core evaluations of both programmes if this is available (final core evaluation reports will be made available when drafting).
- Bidders should outline their approach to this report and offer suggestions on some of the key topics and considerations.
- The report will be of publishable standard. The report will be signed off by members of the Help to Grow evaluation advisory group and officials from BEIS and HMRC. The reports will also go through the BEIS Peer Review Group (for external peer review) before being published. Please note that there may be 2 to 3 rounds of comments on the report and this should be factored in to timelines.
- If appropriate, contractors should produce a technical report outlining the methodology and any quantitative analysis in more detail. The reports should be of sufficient detail that any primary research or secondary analysis undertaken could be replicated by someone not involved in the project.
- Bidders will transfer an electronic copy of any non-DECA data collected or produced throughout the RED experiment, in line with GDPR requirements, allowing for personal data to be given to us and permission to recontact anyone if necessary.
- Although the date of the final report will be dependent on the format of the experiment (e.g. number of pilots and trials, timing etc.) and maybe delivered earlier, it should be completed by March 2025.

Ad hoc analytical support and consultancy to analysts (February 2022 to latest March 2025)

- The bidder should provide support to DECA analysts in relation to carrying out any of the data- or analysis-related tasks that require HMRC data, throughout the duration that the bidder is committed to the project.
- Bidders will work closely with the DECA analysts where ad hoc support is required e.g. undertaking random selections of businesses using a particular approach, undertaking calculations or in providing aggregated outputs that the contractor may require for further analysis.
- A standard allowance of 20 days has been made for ad-hoc analytical support to DECA analysts across the four financial years (2021/22 to 2024/25). Any cost estimations for this should be made separate to the experiment phases previously described.
- Due to the ad hoc consultative nature of this component of the project, these days may be repurposed for policy advice or called off depending on the needs of the project at a particular time.

Approach, governance and considerations

Key Roles

- **BEIS** are the commissioning government department for this project. will provide the main steer of the project and provide sign-off for the outputs, alongside other relevant groups e.g. Help to Grow evaluation advisory group. BEIS analysts with security clearance who have been seconded into the HMRC environment will undertake all impact and analysis and evaluations that utilise HMRC data.
- **HMRC** are a key government partner and also have sign-off rights to the RED plans and outputs. They provide robust data on businesses to the project from which to select the RED experiment treatment and control groups (as well as monitor and evaluate response) and the operational ability and capacity to send out the letter encouragement.
- **The bidder** will work with BEIS, taking contributions from HMRC, to design, seek approval for and implement the RED experiment. They will report plans, outputs, findings and recommendations and undertake any calculations and analysis that do not require HMRC data. The bidder will steer the BEIS DECA analysts working with HMRC data on how to conduct the experiment using the data. Given the long lag period between businesses accessing the Help to Grow programme and realising potential benefits in turnover and productivity, evaluation of the Help to Grow programmes by the bidder will not be required, though it will need to be planned for.
- **Help to Grow evaluation advisory group** will sign-off the on the main outputs produced by the bidder such as the RED experiment plans and any pilot and trial reports. They include cross-government experts in randomised experiments and vested stakeholders (such as the Cabinet Office and HM Treasury), academics and BEIS officials.

Flexibility

The proposed methodology above has been scoped on the assumption of one small successful pilot and one full scale trial on the selected remainder of business in our contactable population. Timeframes have been provided on the basis of best estimates. In practise the shape and timing of the RED experiment may be quite different e.g. requiring more pilots and/or amending activities in the plan depending on outcomes. Contractors should therefore be flexible throughout.

Covid and other contextual factors

Please consider how you will try to assess the impact of Covid 19 and other macro or contextual factors which might affect a RED experiment and outcomes.

GDPR and data sharing

Depending on the proposal, the successful bidder may need to handle personal data. All research and outputs must meet GDPR requirements. Bidders should state whether they have sufficient privacy policies in place to satisfy GDPR regulation. BEIS will be the data controller of all non-HMRC data collected and deliverables produced as part of the contract. HMRC will be the data controller for any output that uses HMRC data.

Collaborative approach

The winning supplier will need to be prepared to work with a range of stakeholders including officials, academics, delivery partners, existing evaluators of the programmes in order to complete the RED trial project. The winning supplier should also support collaboration on changes to policy including future research or initiatives introduced to either programme.

We are looking at other potential trial options across both programmes and the bidders would be expected to work closely with any future partners.

Skills and expertise

A range of different skills are required for this research. The following are considered particularly important:

- Evidence of expertise in running a RED experiment and/or Randomised Controlled Trials (essential)
- Developing evaluation plans to meet clear evaluation questions
- Delivery of high-quality synthesis, reporting and communication of complex policy research
- Ability to deliver robust and high-quality analytical work under tight timescales using appropriate project management techniques
- Ability to communicate clearly and concisely, both verbally and in writing and expertise of drafting high-quality reports

Quality Assurance

All deliverables are to be quality assured by the contractor before delivery. The contractor will also respond to comments by BEIS and HMRC officials and peer reviewers and undertake to improve outputs which do not meet BEIS standards.

Contractors are asked to provide information on their own quality assurance processes as part of their tender response.

The reports will also go through BEIS's quality assurance processes, for example reviewed by BEIS analysts and policy officials, with senior analyst and policy sign-off. As already mentioned all reports will also be subject to peer review by external experts.

All research and outputs are required to meet relevant standards set out in the Magenta Book¹, the BEIS Monitoring and Evaluation Framework², The BEIS Business Support Evaluation Framework³, the Government Social Research code⁴ and the Market Research Society Code of Conduct⁵. Bidders will also need to align with BEIS's emerging standards on business data collection.

Dissemination

The winning bidder is expected to present the findings. Bidders are also invited to propose a dissemination strategy or resources to communicate key learnings to stakeholders as there is likely to be high demand from policymakers and organisations involved.

Governance

The winning bidder should expect to attend regular catch ups with BEIS to address progress, emerging deliverables and risks. Ad hoc attendance at specific programme governance boards with a wider cast list may also be required at key milestones. The exact frequency of meetings and attendance will be agreed with the successful contractor.

This RED project will also be discussed in the Help to Grow Evaluation Advisory Group. The Group covers all Help to Grow evaluation projects and will:

- Assist and advice on developing a robust and credible evaluation process, including advising on possible randomisation as part of the programmes
- Provide challenge and comment on the appropriateness of the evaluation methodology
- Review evaluation outputs: for example, evaluation plans and findings reports

The group will also highlight any emerging divergences or collaborative opportunities, for example when conducting the productivity analysis, and assist alignment where appropriate. Members will be from BEIS analysis, the Trial Advice Panel, Evaluation Task Force and wider evaluation and business support experts where appropriate.

¹ <https://www.gov.uk/government/publications/the-magenta-book>

² <https://www.gov.uk/government/publications/beis-monitoring-and-evaluation-framework>

³ <https://www.gov.uk/government/publications/business-support-evaluation-framework>

⁴ <https://www.gov.uk/government/publications/the-government-social-research-code-people-and-products>

⁵ <https://www.mrs.org.uk/standards/code-of-conduct>

Timings

The Help to Grow: Management Programme is currently expected to run for three years from June 2021 to March 2025. The programme has a scheduled six-month review point in December 2021, and further review points will be scheduled next year.

The Help to Grow: Digital programme is currently expected to run for three years to November 2024. There are four key 'releases' of new functions and services planned into the programme and are listed below. We will share the exact changes made at each release as soon as possible with the winning bidder when possible. The bidder should acknowledge the timings in their proposal.

- December 2021 - Full programme launch including discount scheme opens
- July 2022 – Release 1
- February 2023 – Release 2
- July 2023 – Release 3
- April 2024 – Release 4

The financial discount scheme and online platform will remain continuously open to SMEs across the lifespan of the programme, and improvements will be made on a rolling basis. The winning supplier will be made aware of both minor and major changes to the programme in advance and will have access to an action log.

The national communications campaign for Help to Grow runs in three-month sprints, starting from September. Any changes to the comms campaign, including a reduction in comms by specific mediums or within specific regions, should be communicated at least a month before a new sprint. For example, all changes should be notified by the beginning of February ahead of the March sprint.

Funding and break clauses

We have included a break clause in the contract at the end of each financial year (2021/22 to 2024/25) to take into account future budget confirmation. The project may be extended subject to future policy and funding decisions.

Break clauses will also be included after delivery of the experiment protocol (April 22) and at the end of the pilot stages (May 2022 or later if other pilots are proposed by bidder) in the event that the experiment does not achieve the desired response and it is decided not to proceed with trials as they would not deliver useful results.

4. Deliverables

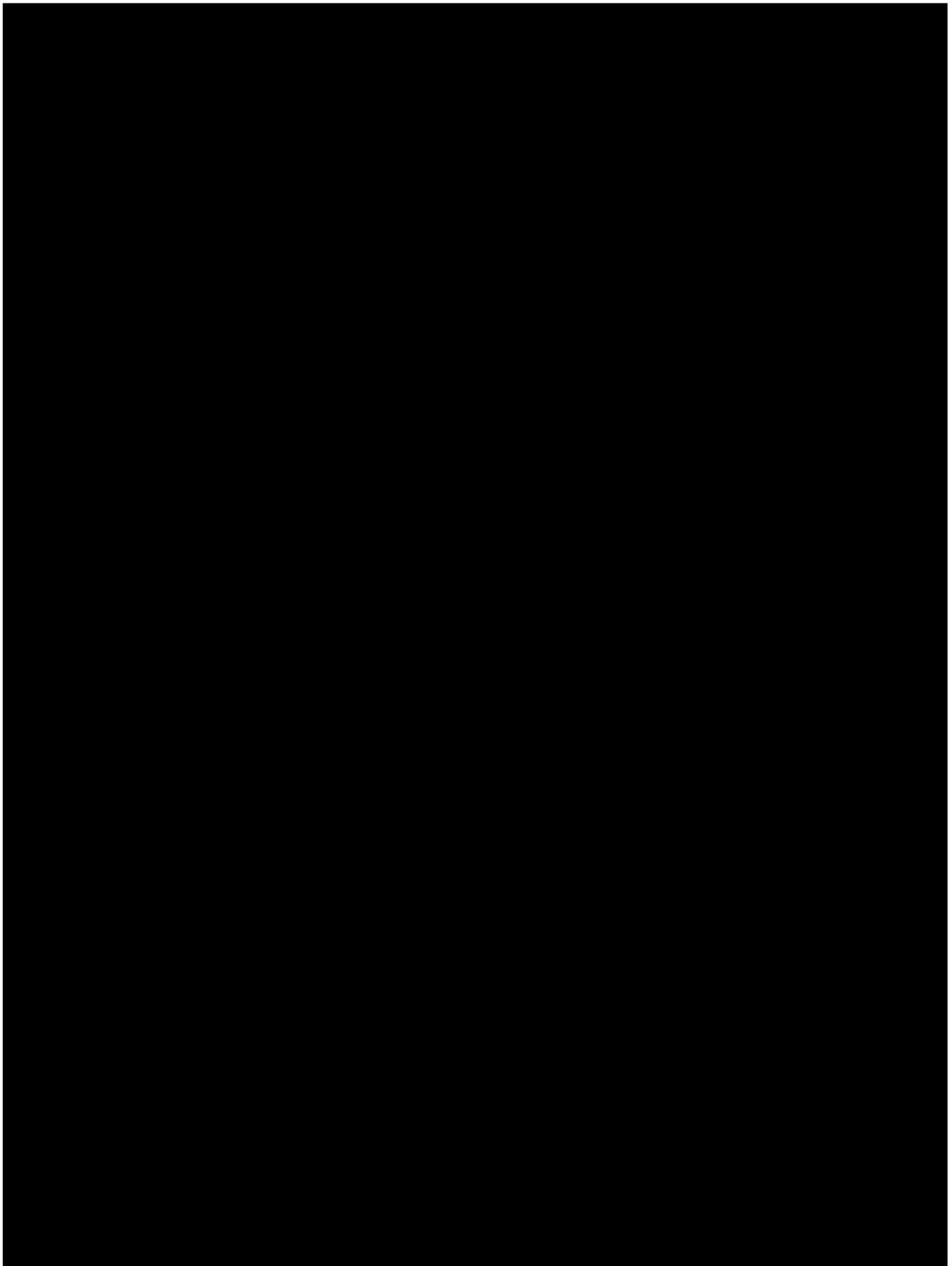
A summary of deliverables with timings below:

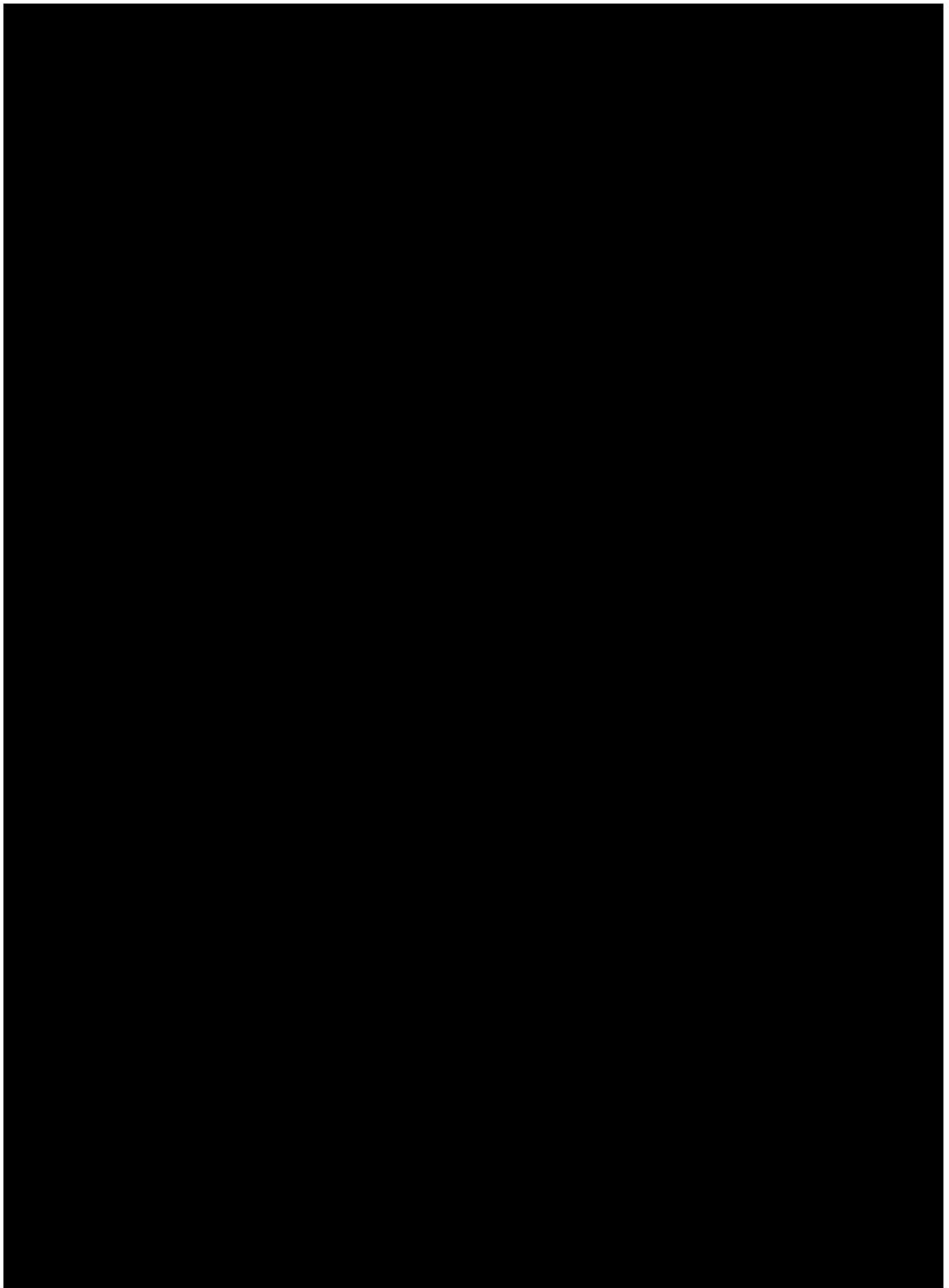
Contractors are welcome to suggest amendments to the timetable, with an accompanying rationale.

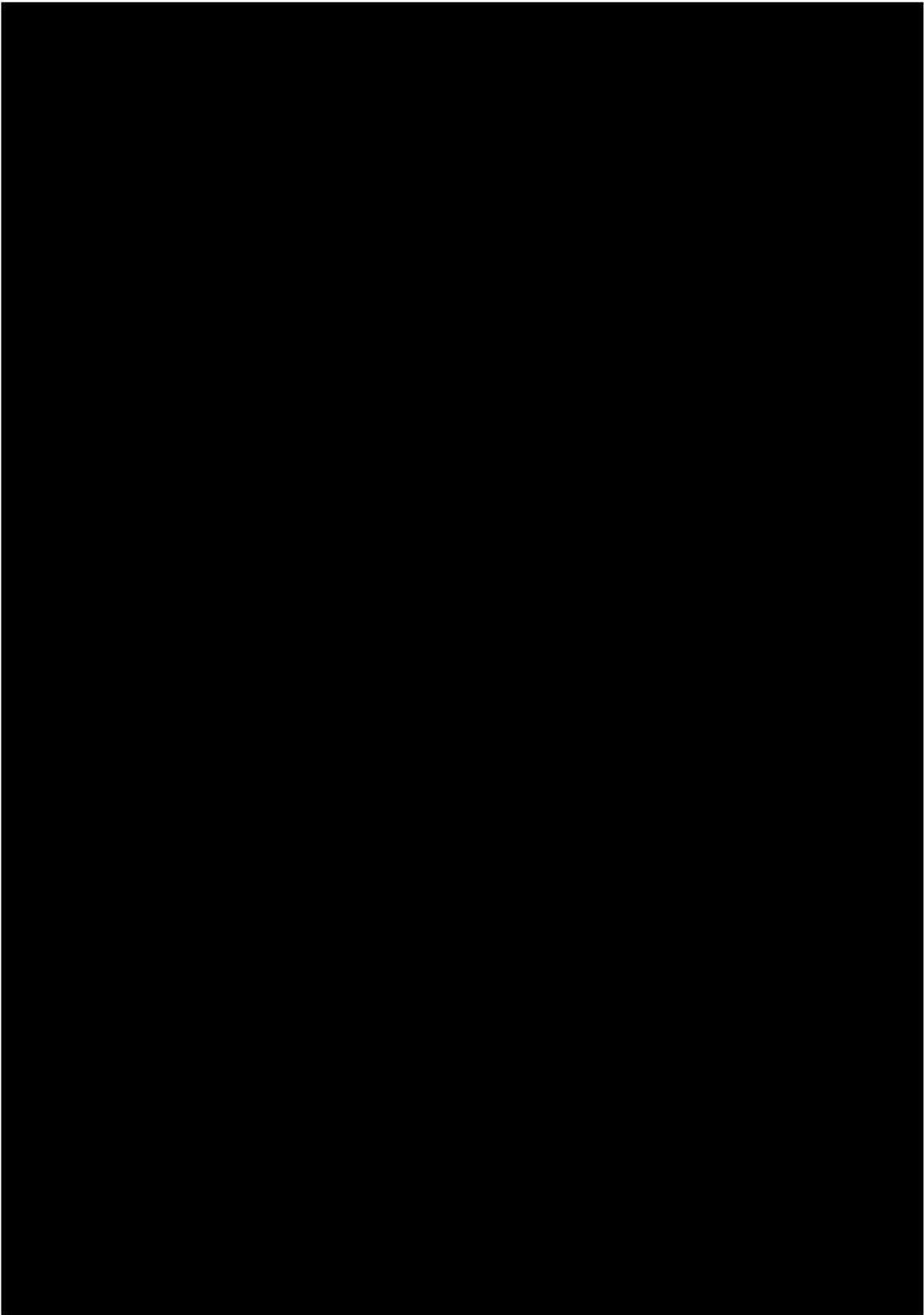
Month	Deliverables
February 2022	RED Literature review
April 2022	Help to Grow Management encouragement pilot evaluation RED experiment plan
May 2022	RED experiment protocol Help to Grow Digital encouragement pilot evaluation

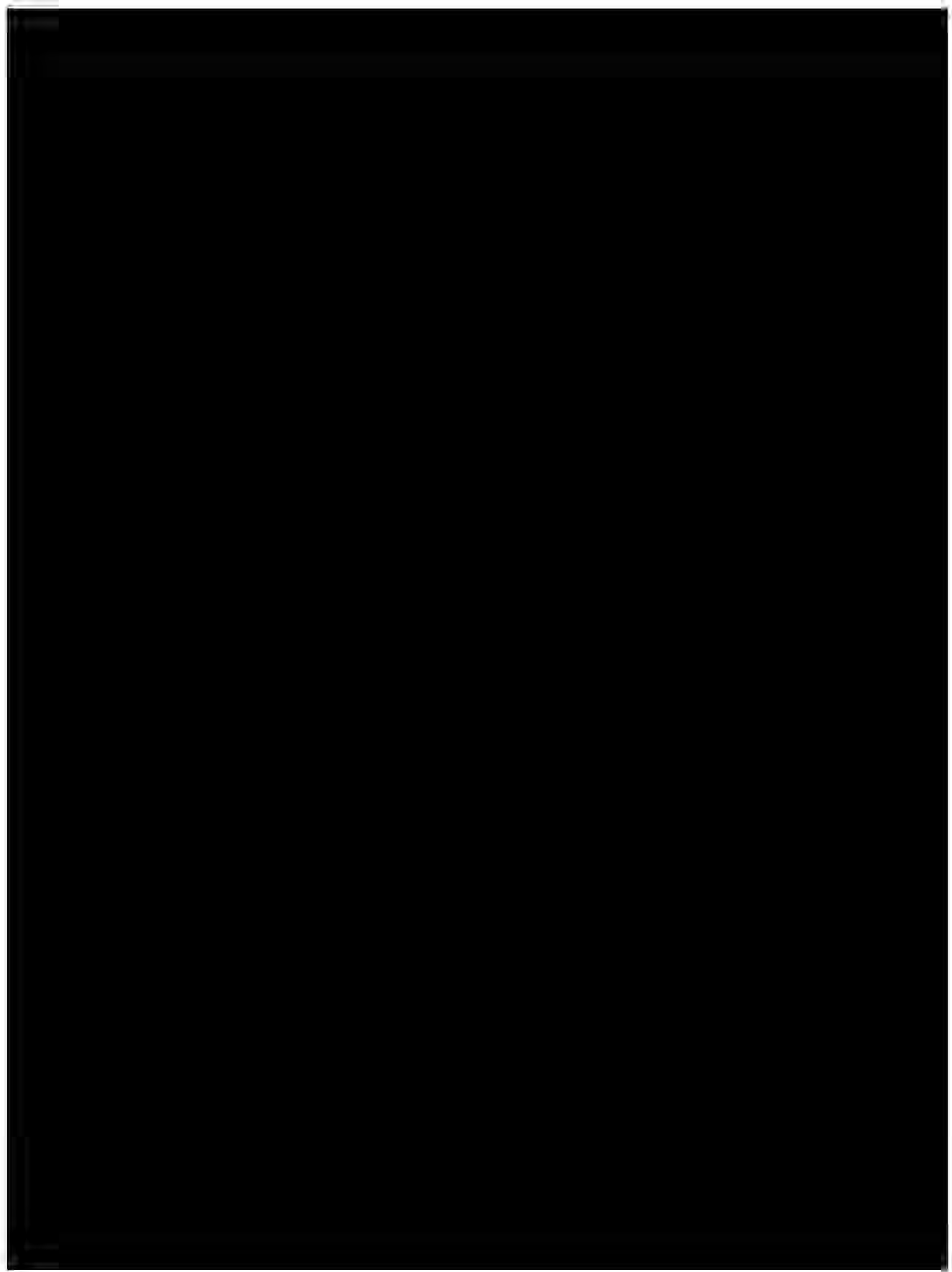
June 2022 onwards	Further experiment activity e.g. pilots and trials as outlined in protocol Changes to the RED experiment protocol as necessitated by events	
March 2025 (or before depending on design of the experiment and outcomes)	Final RED experiment report	

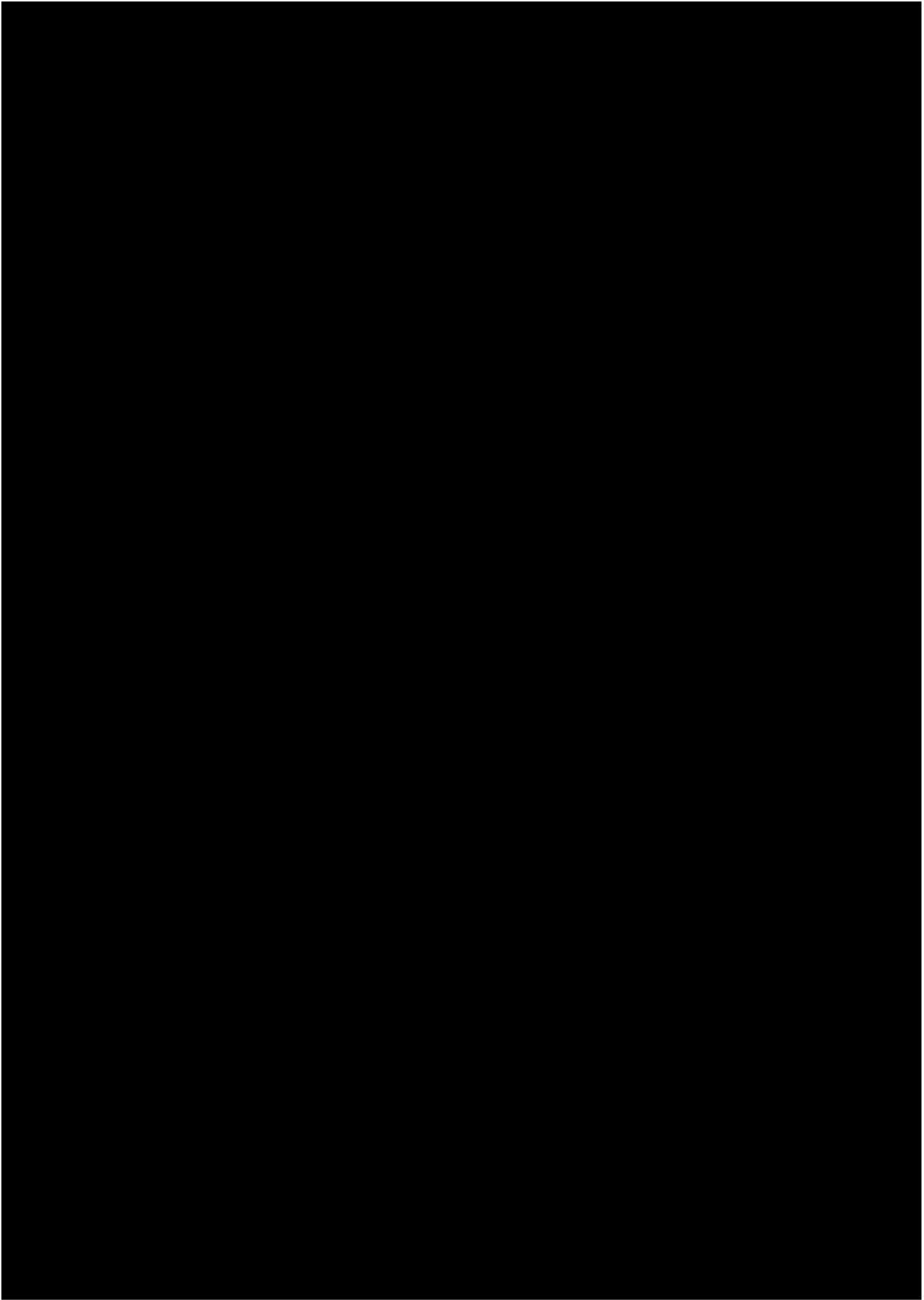
Appendix B - Supplier Proposal

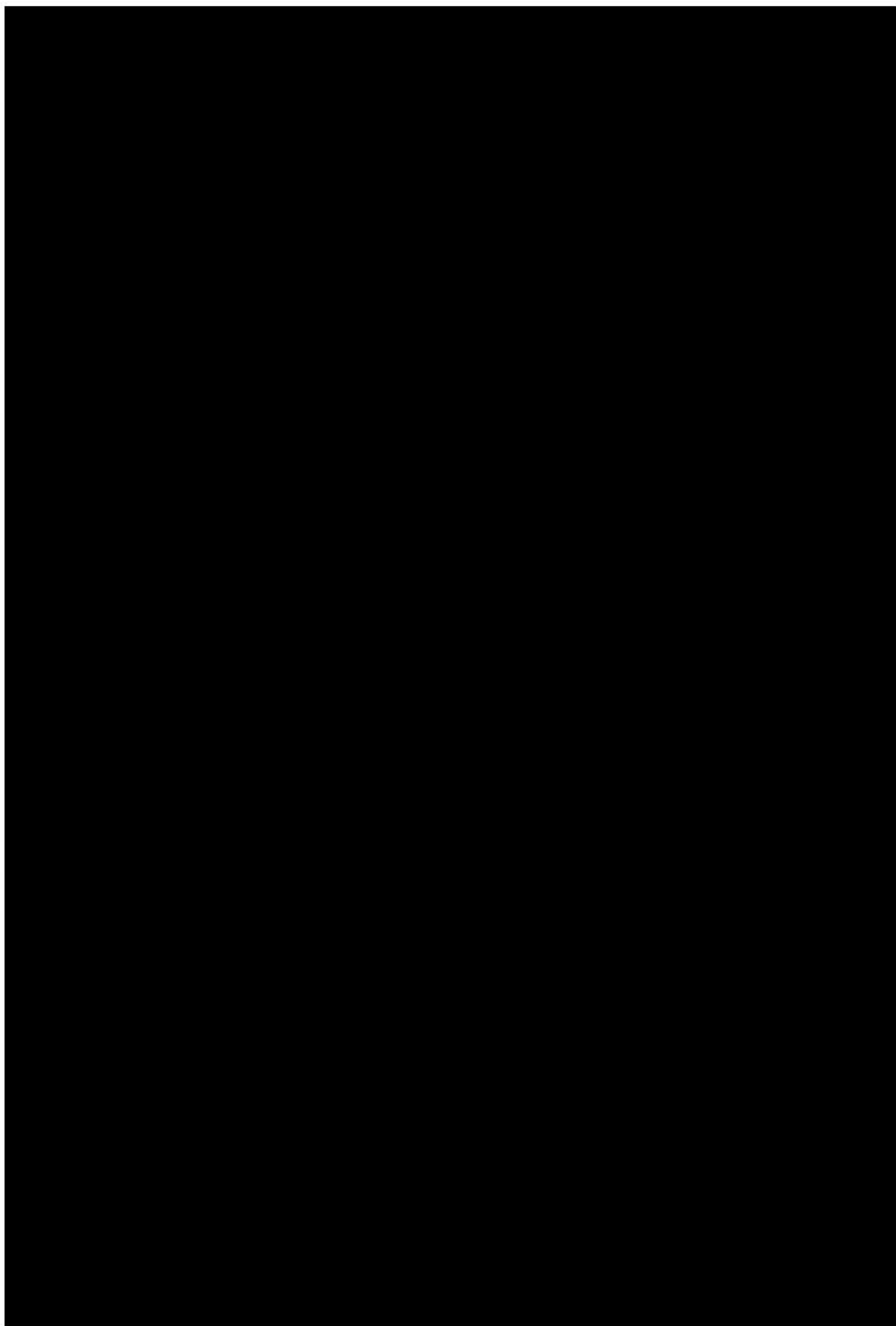


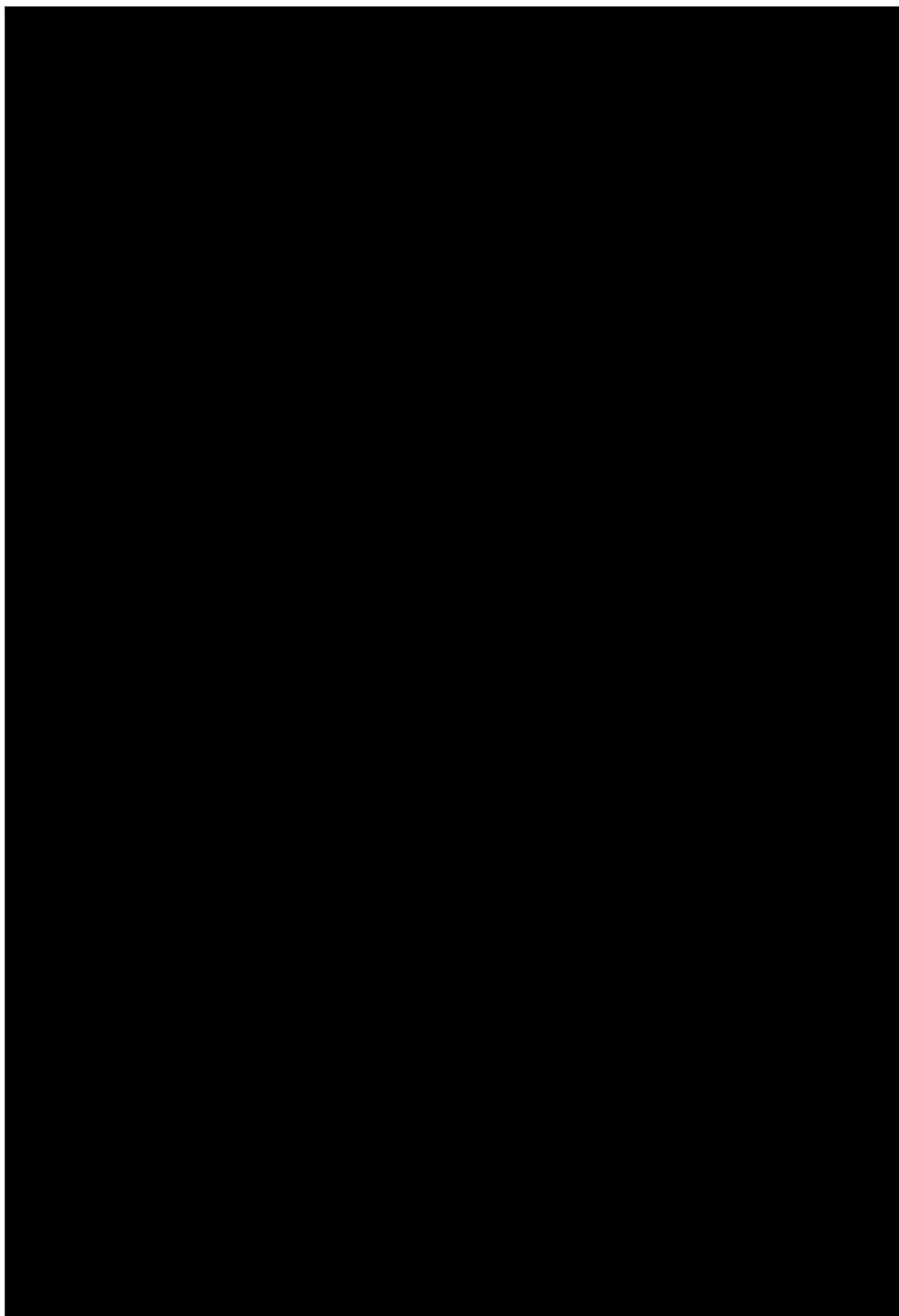


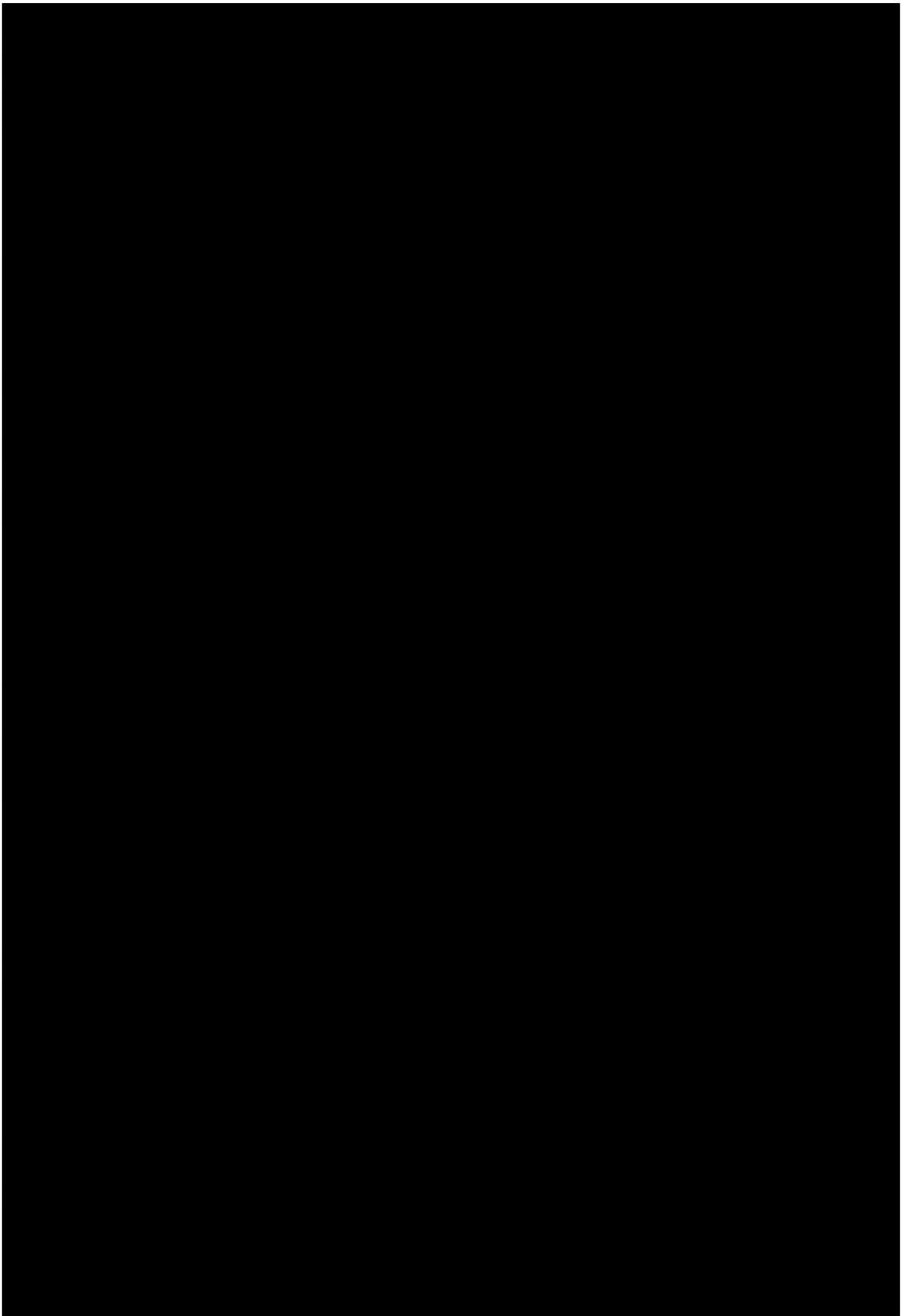


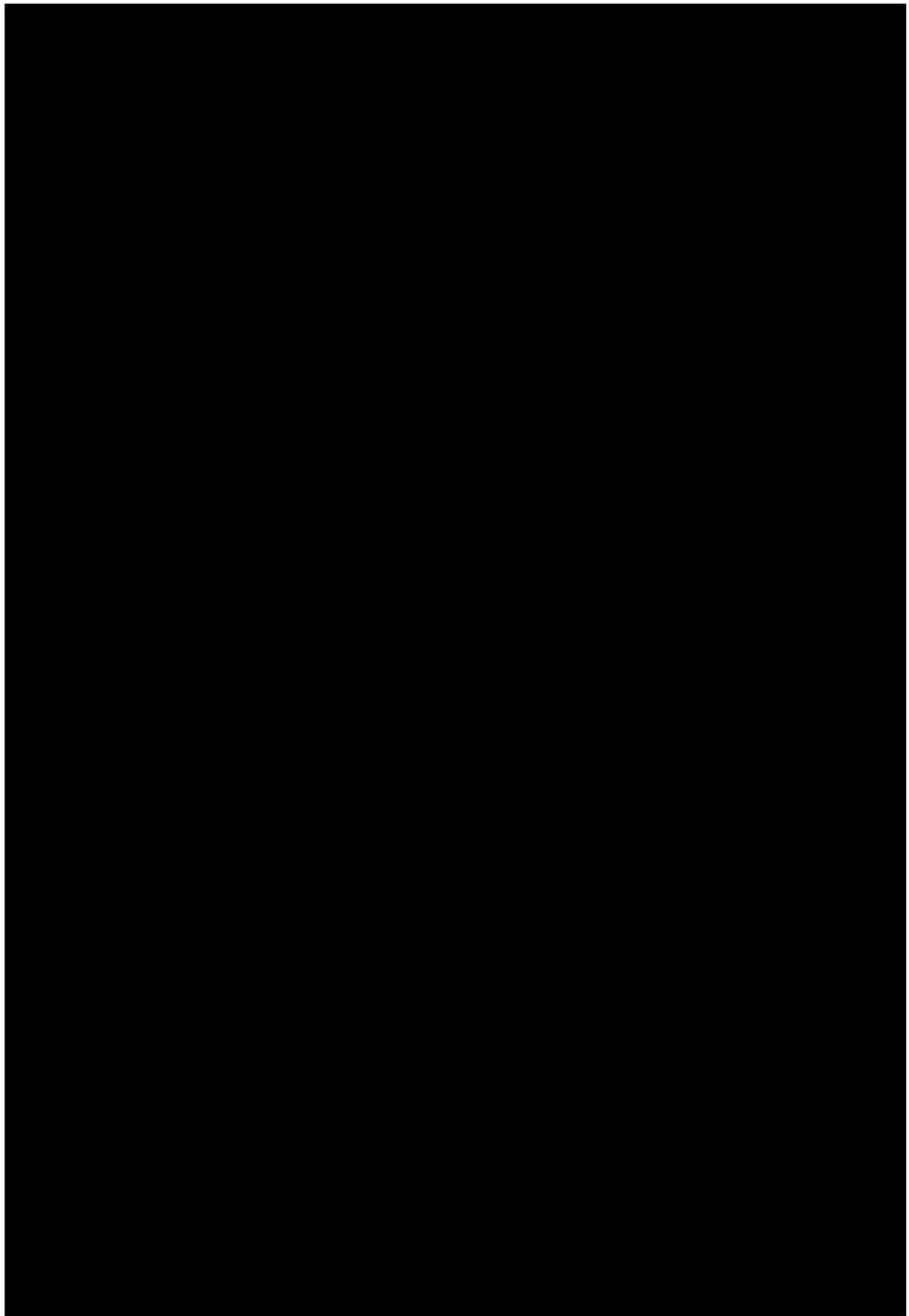


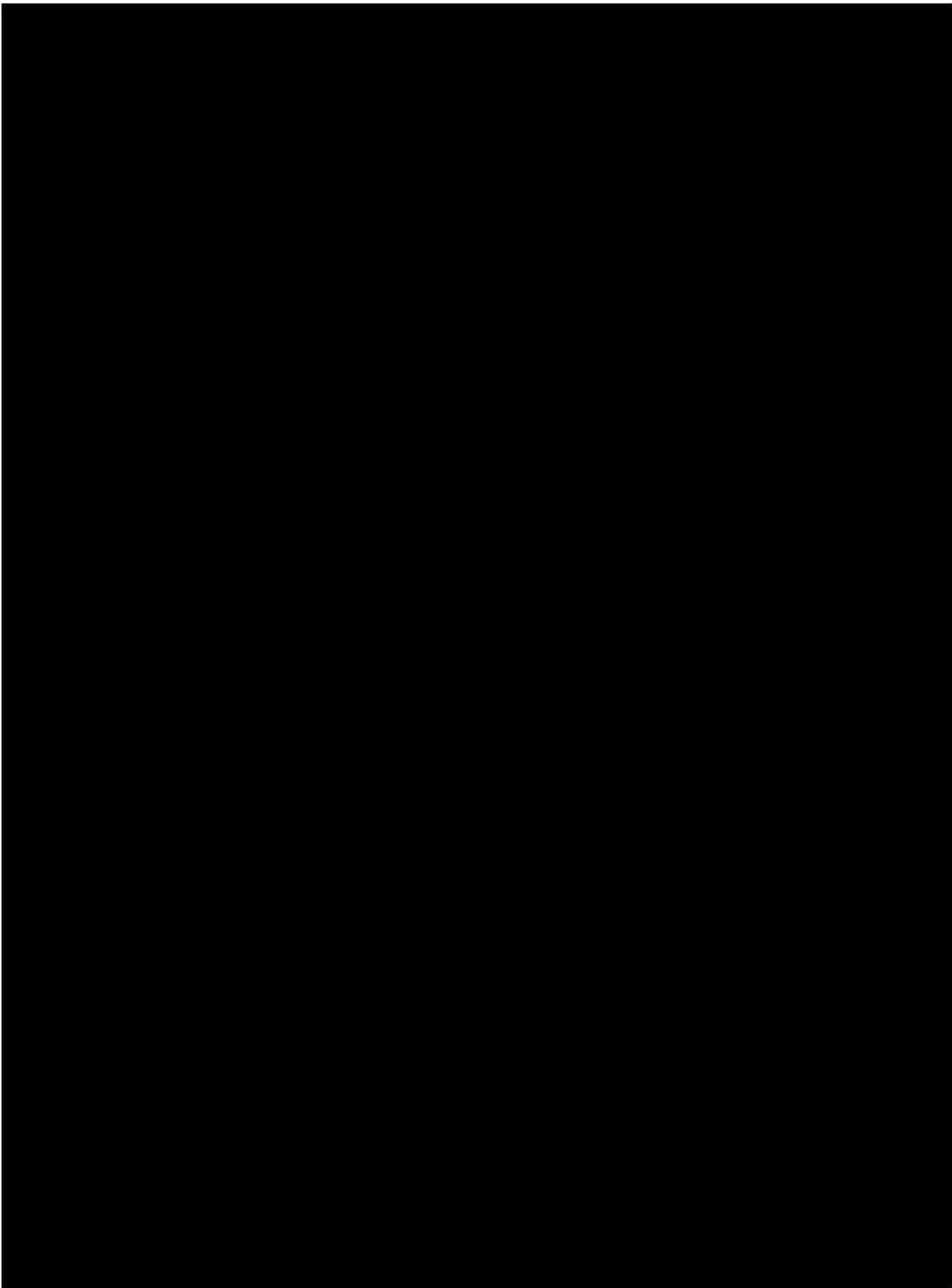


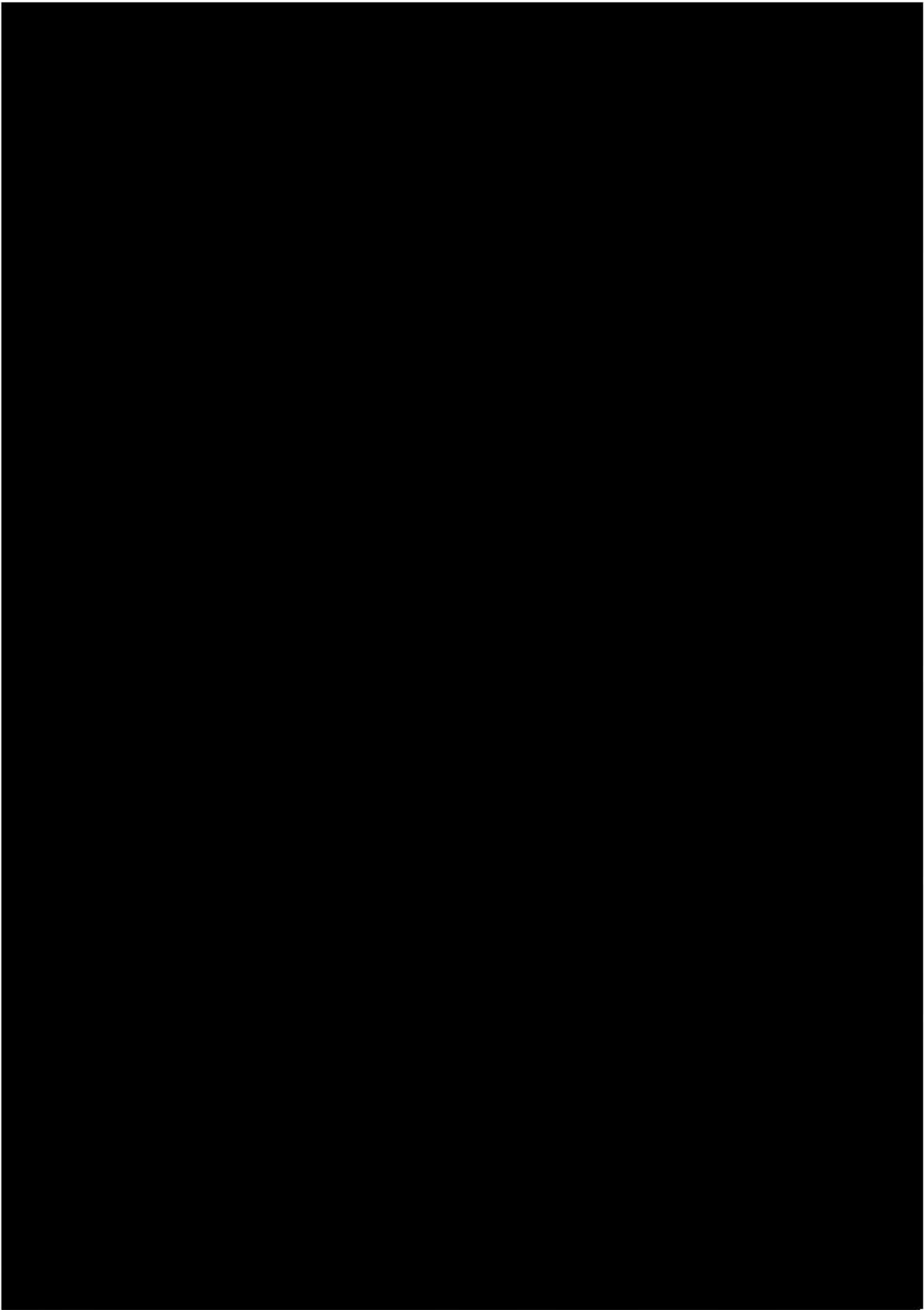


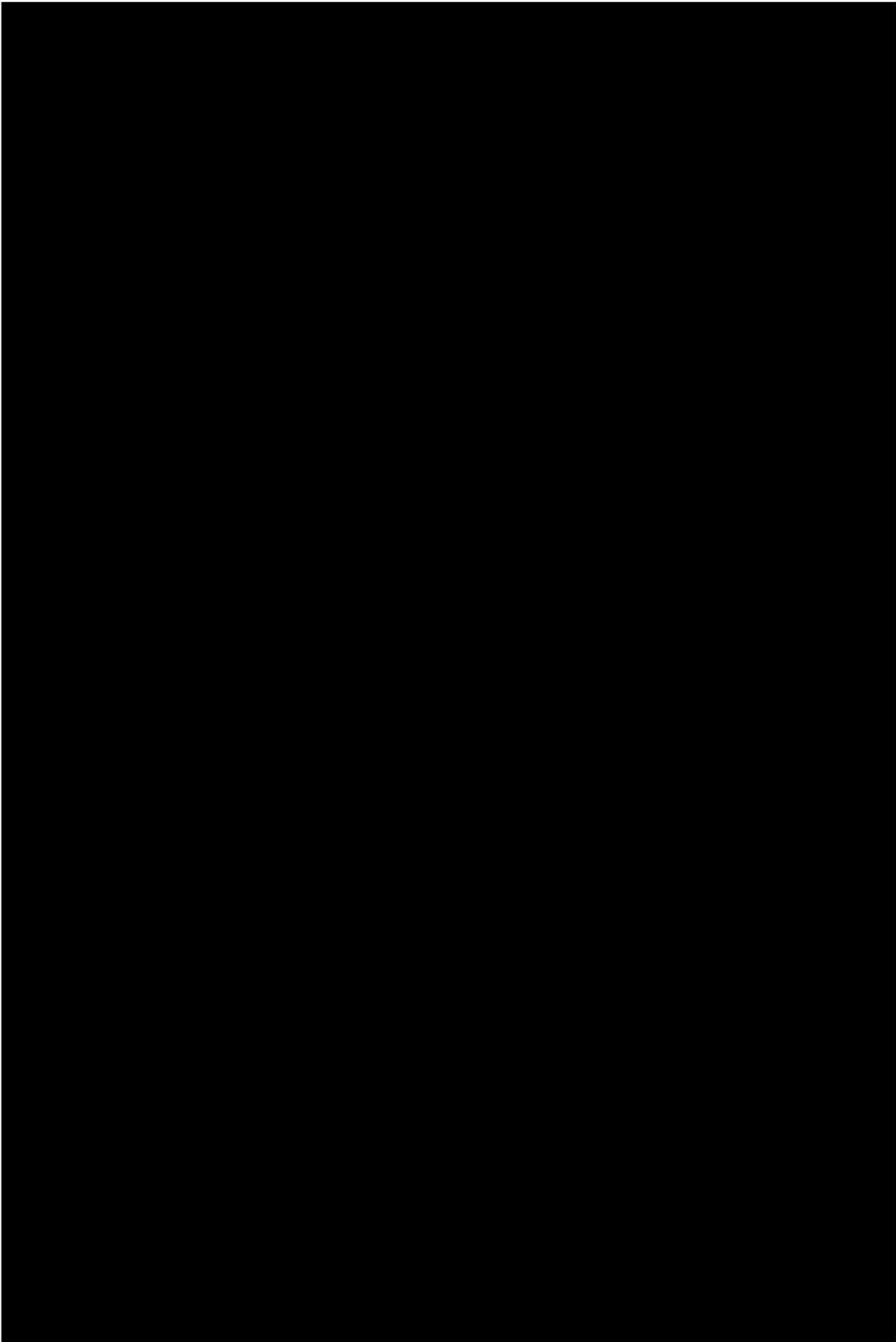


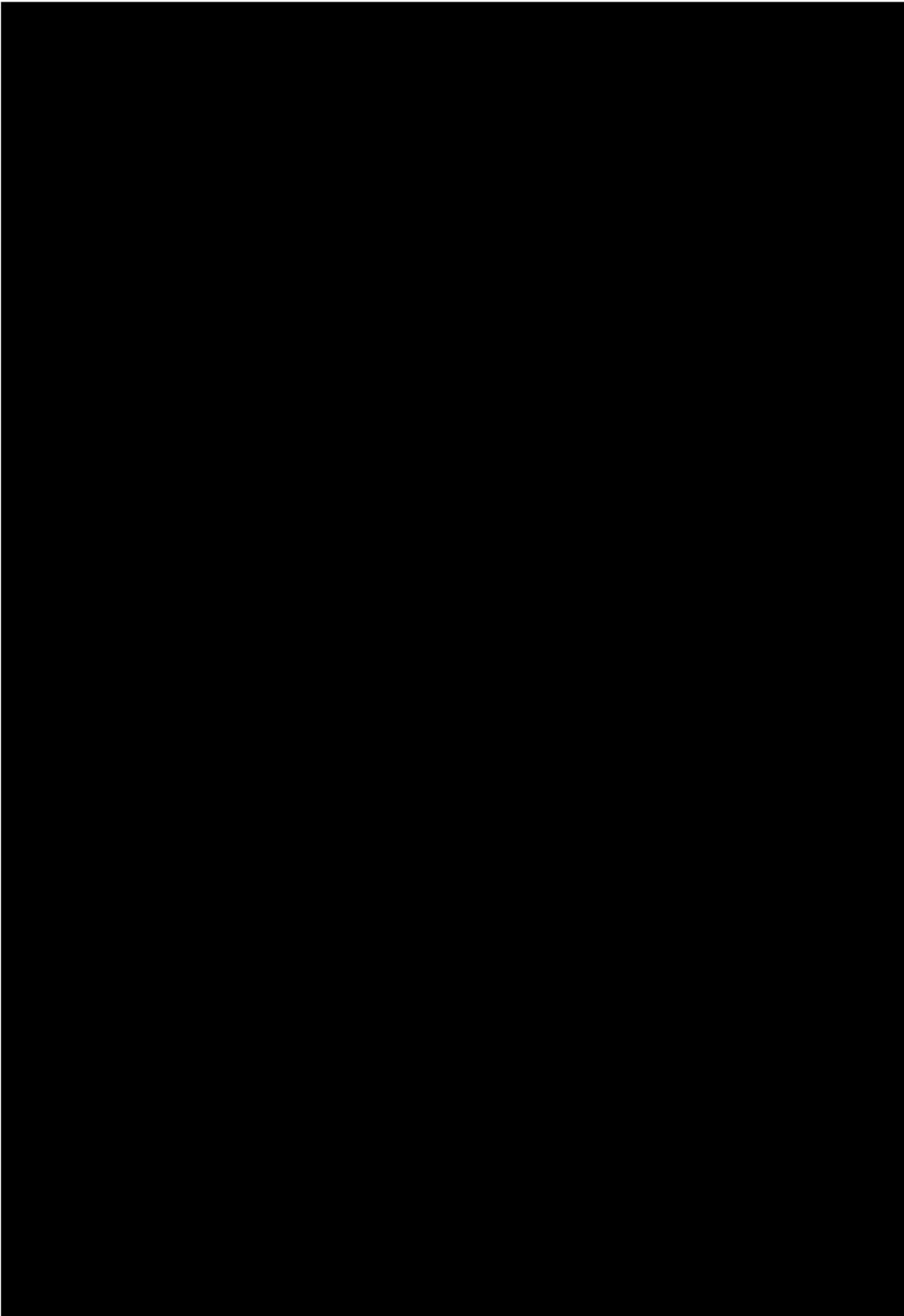


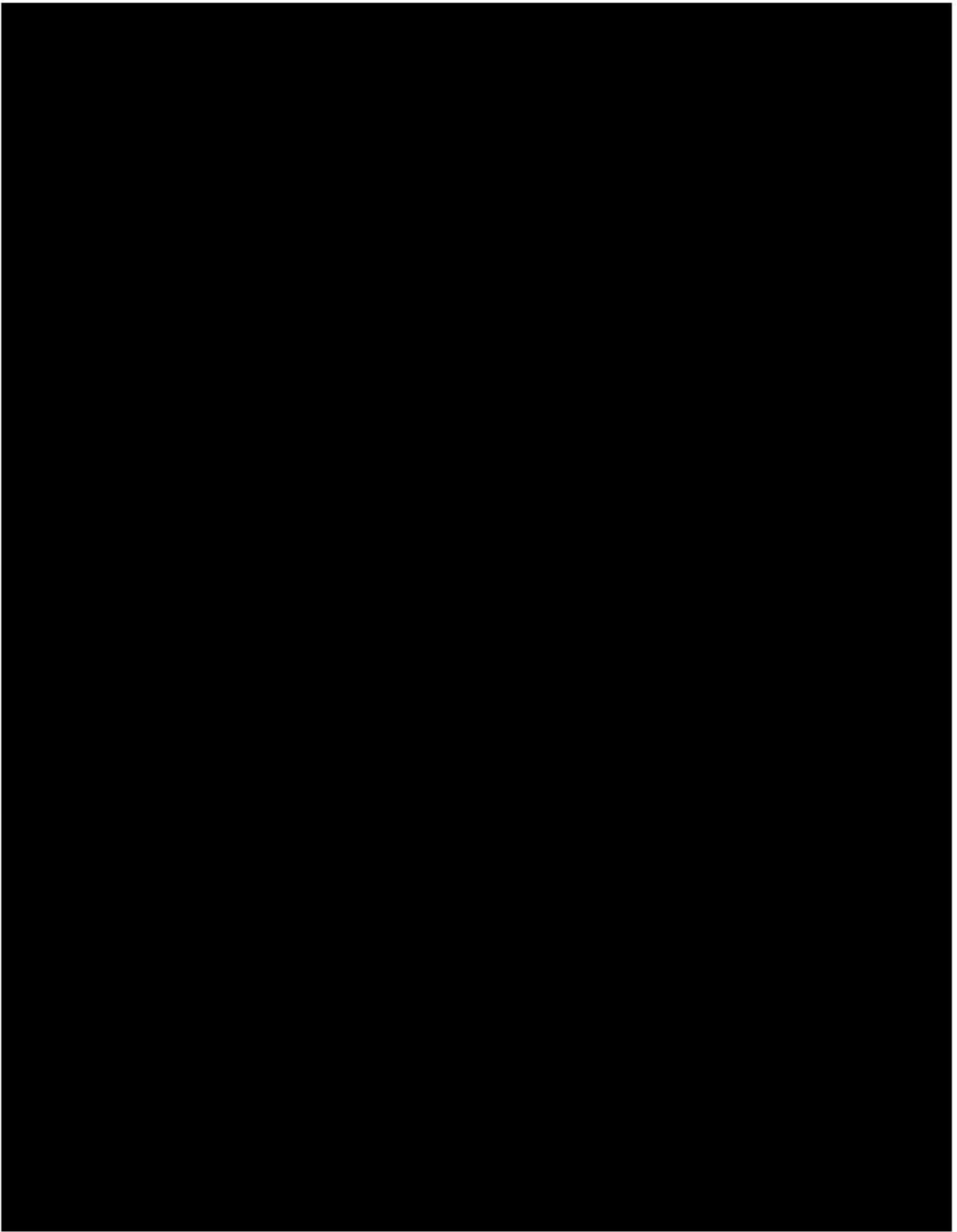


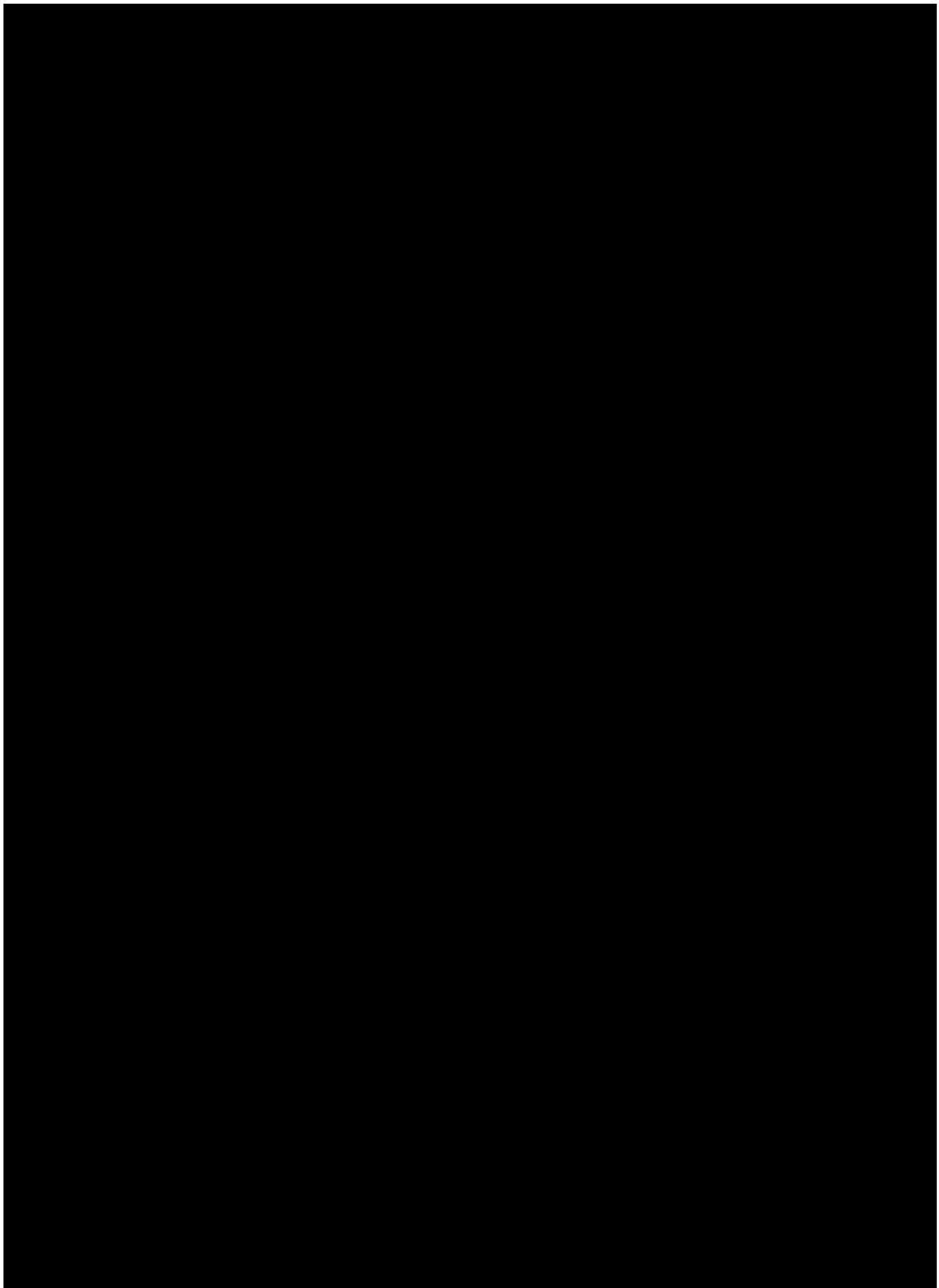


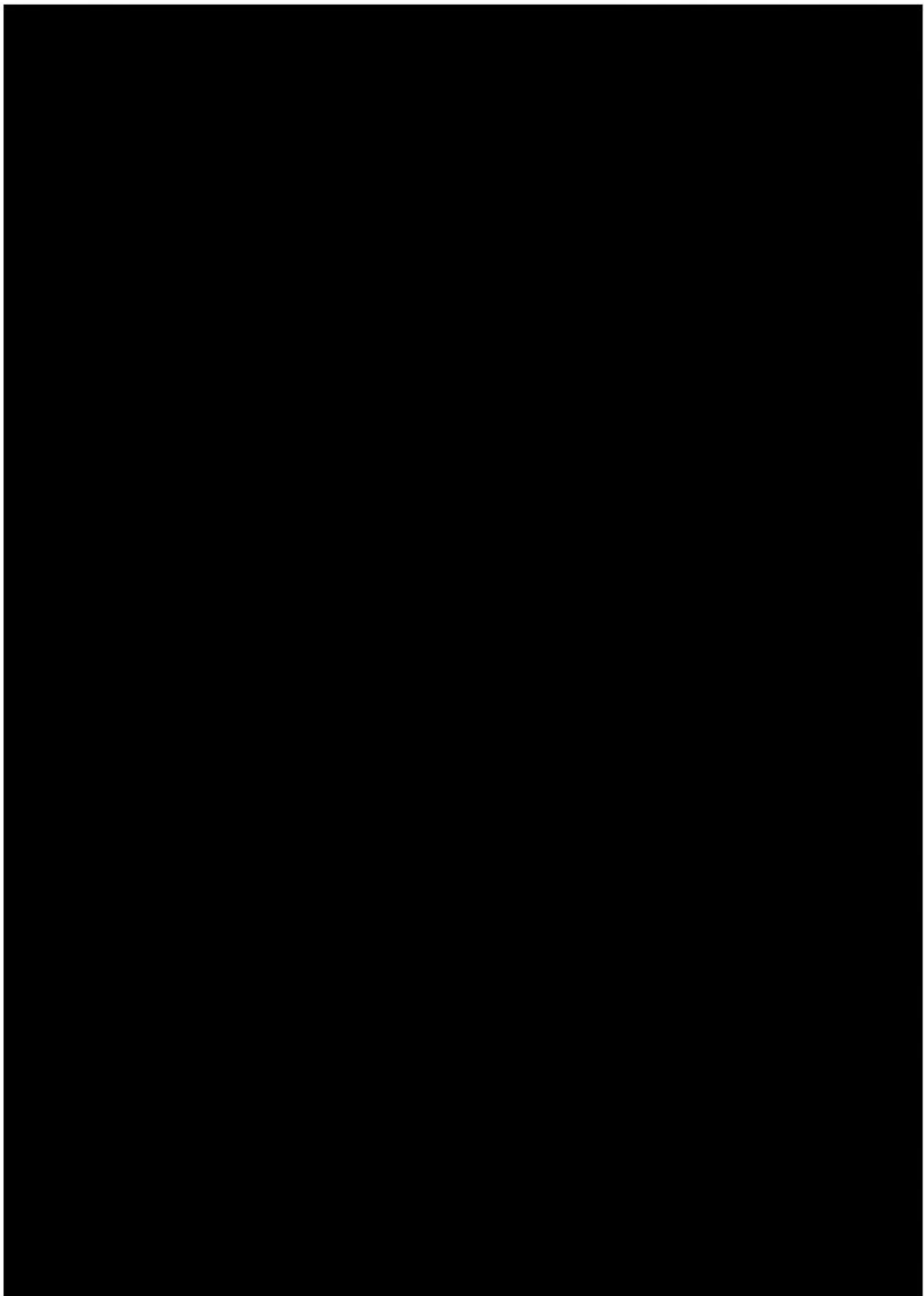


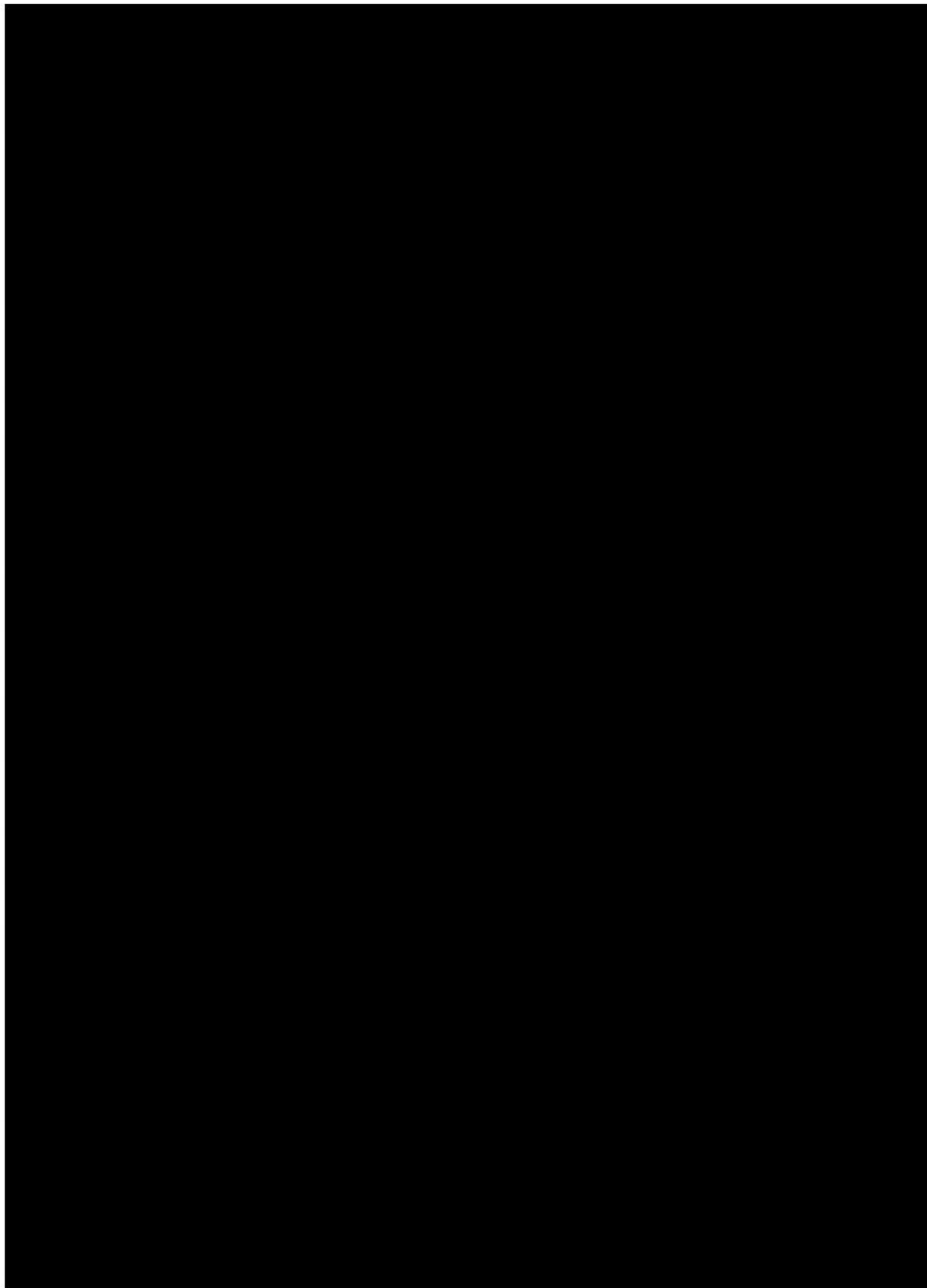


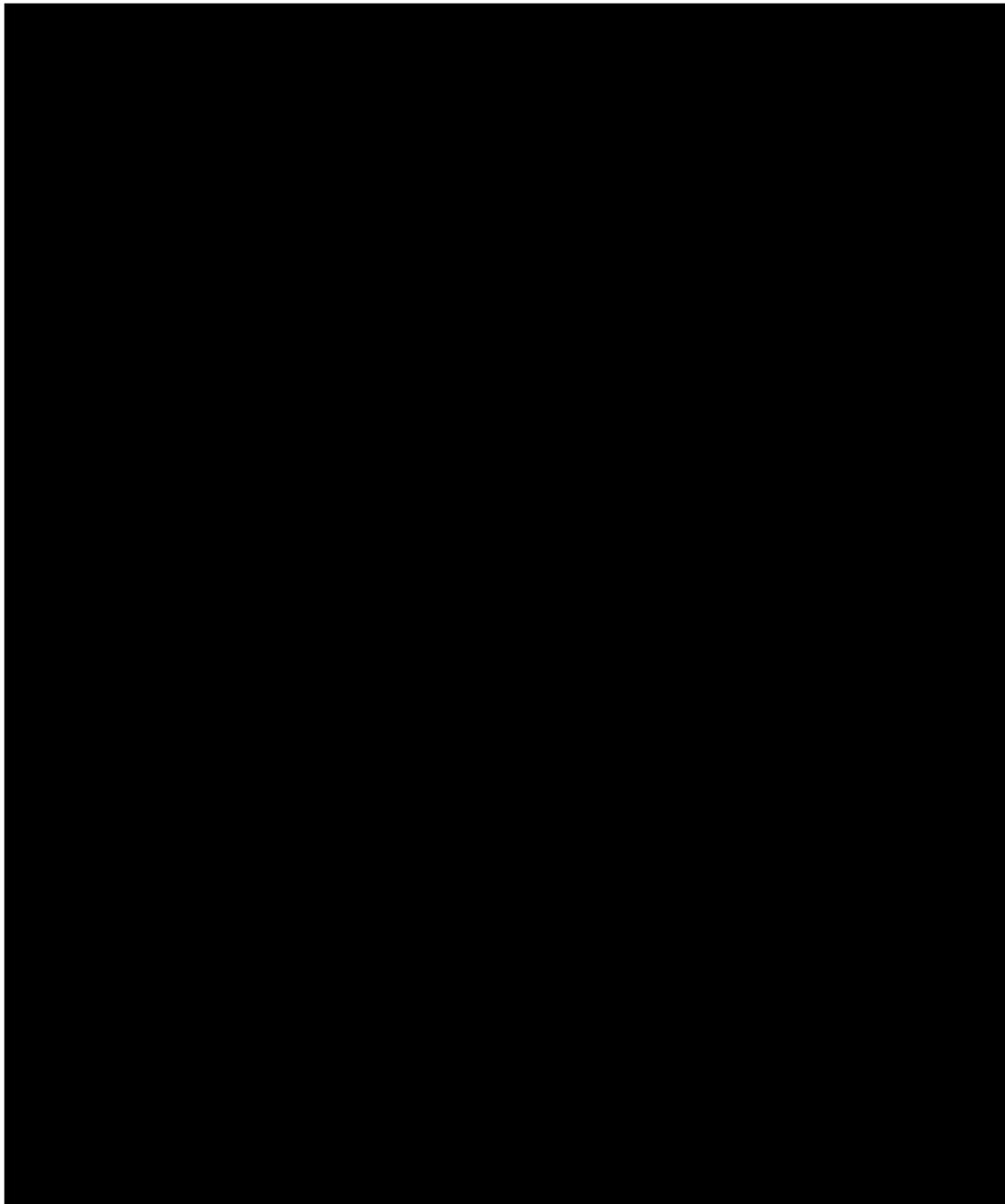


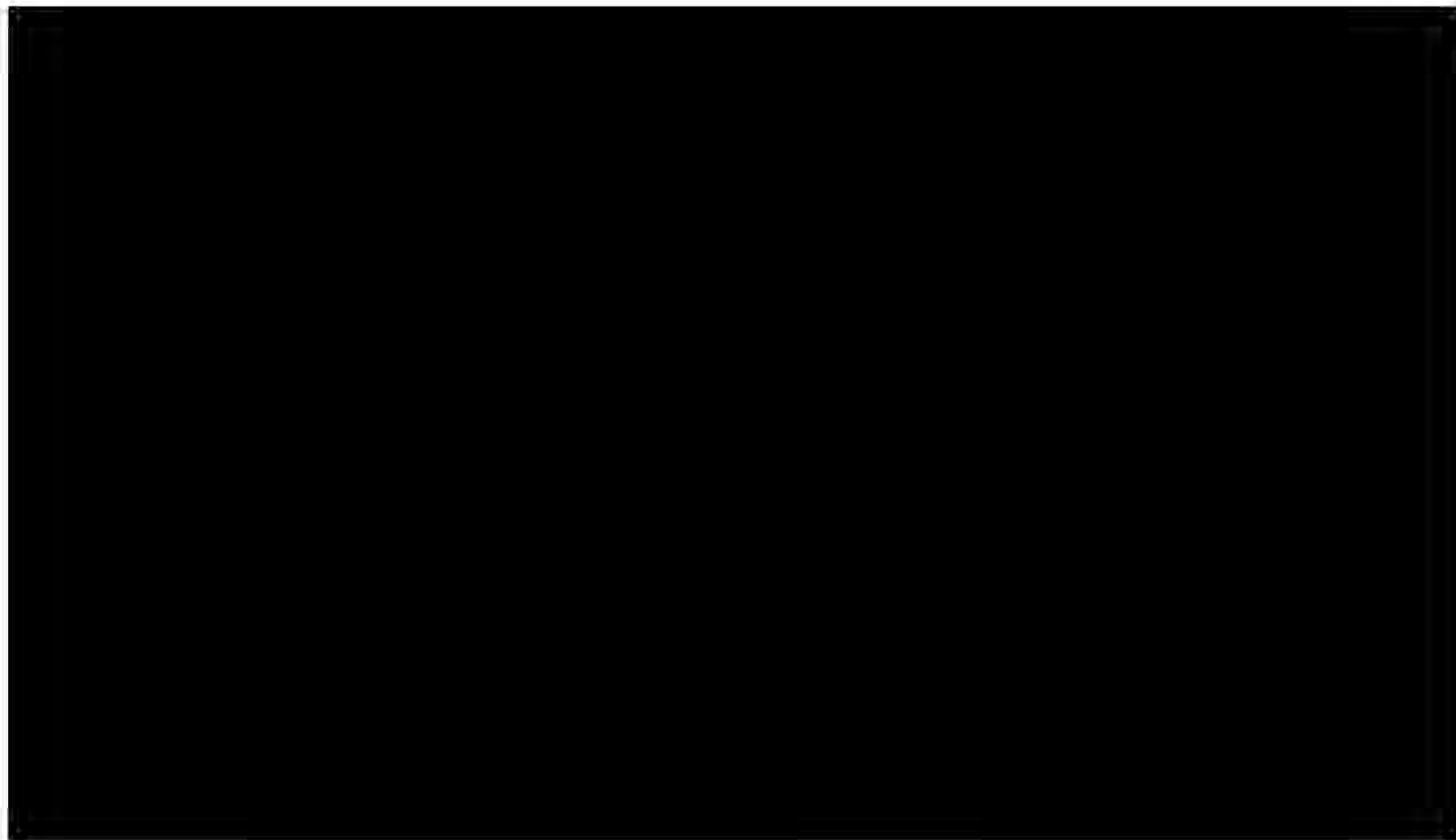


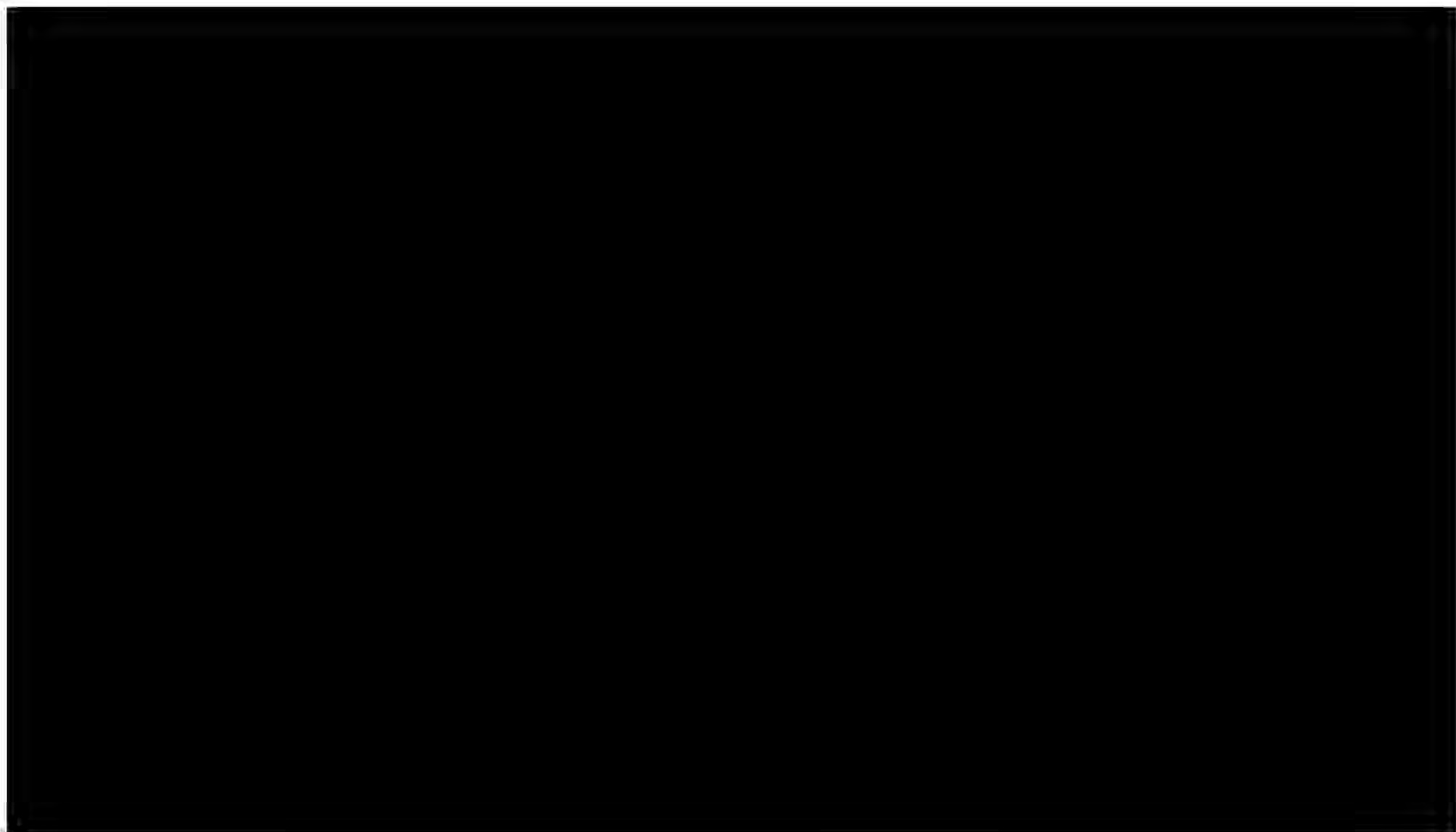












Part 2: Contract Terms

PDF

RM6018-Call-Off-Contract-Terms.pdf