

DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

Part 1: Letter of Appointment

Frontier Economics Ltd
Mid City Place
71 High Holborn
London
WC1V 6DA

Dear Sirs

Letter of Appointment

This letter of Appointment dated Tuesday, 3rd November 2020, 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:	CR20095
From:	Department of Business Energy and Industrial Strategy , 1 Victoria St, Westminster, London, SW1H 0ET ("Customer")
To:	Frontier Economics Ltd , Mid City Place, 71 High Holborn, London, WC1V 6DA ("Supplier")
Effective Date:	Monday, 9 th November 2020
Expiry Date:	End date of Initial Period: Wednesday, 31 st March 2021
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.

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 £60,000.00 Excluding VAT.
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);

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:

For and on behalf of the Customer:

Name and Title:

[Redacted]

Name and Title:

[Redacted]

Signature:

[Redacted]

Signature:

[Redacted]

Date:

09/11/2020

Date:

09/11/2020

ANNEX A

Customer Project Specification

1. Background

The Industrial Strategy Council (ISC) is tasked with providing impartial and expert evaluation of the government's progress in delivering the aims of the Industrial Strategy. The ISC published its list of Success Metrics in October 2019. These metrics are designed to enable the ISC to measure and demonstrate the success of the Industrial Strategy. The success metrics look beyond GDP to consider measures of social, human and natural capital, as well as capture broader welfare impacts.

The aim of the Industrial Strategy is to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK. So, it is important to understand how these broader social metrics interact with productivity. The evidence base in this area is newer and less well established than on other drivers of productivity growth. This new evidence will support the work of the Council Team in evaluating the impact of Industrial Strategy policies and how these policies impact the Council's chosen Success Metrics. It will also provide both internal (in particular BEIS and HMT) and external stakeholders (academia, think tanks, LEPs, etc.) better understanding of how social metrics influence productivity.

The new evidence created will be used by the Industrial Strategy Council as part of its evaluation of the Industrial Strategy. It is one of our key priorities to robustly measure the impact of the Industrial Strategy, hence this work is crucial to allow us to continue developing robust Success Metrics. It will also be used in our broader evaluation work programme as it will give us evidence of what matters in measuring success.

A 30-40 page report summarising the research findings will be published on the Council website. We will work with the department and HMT to disseminate research findings. We will also hold a webinar to discuss the report with government analysts, LEPs, Combined Authorities, think tanks and academia to ensure a widespread use and impact of this research.

2. Aims and Objectives of the Project

The evidence base on how social metrics interact with productivity is newer and less well established than on other drivers of productivity growth. We are interested in tendering research projects that add to the evidence base in this area.

Specifically, we are looking for projects that (1) set out a clear analytical/theoretical approach to investigate the links between social metrics and productivity and then (2) produce empirical evidence applying that approach.

This new evidence will support the work of the Council Team in evaluating the impact of Industrial Strategy policies. We do not expect this research to consider the impact of Industrial Strategy policies, just how social metrics interact with productivity.

Recent ESRC funded work provides a good survey of much of the existing literature, including recommended areas for future work. www.cusp.ac.uk/wp-content/uploads/pp-wellbeing-report.pdf

And a recent collection of essays by the Carnegie UK Trust and RSA sets out some of the evidence on the links between quality of work and productivity. www.carnegieuktrust.org.uk/publications/can-good-work-solve-the-productivity-puzzle/

We are interested in tendering research projects that add to the evidence base in this area. Given the existing literature review we are not expecting an in-depth literature review as part of this project. The final research report should include a short summary of relevant literature.

The social metrics included as ISC Success Metrics can be loosely grouped together into the following themes:

- Wellbeing metrics related to the level and regional distribution of life and health satisfaction (based on ONS data)
- Social capital metrics relating to 'social trust' comparing the UK and other European countries (based on data collected by the Bennett Institute)
- Quality of work metrics around job satisfaction ratings (based on ONS data)
- Health metrics such as ONS measures of healthy life expectancy and measures of sickness absence from work

Either labour productivity (output per hour/worker) or total factor productivity can be used as the measure of productivity.

We want to commission research that helps us better understand and articulate the links between productivity and the social impacts captured by these metrics. We are not specifying the specific methodology/approach that must be used to encourage bidders to propose new and innovative approaches. We expect providers to either use an existing methodology/approach or to develop their own (with a preference for the latter). This approach must then be applied to relevant datasets to provide empirical evidence

3. Suggested Methodology

Research projects should (1) set out a clear analytical/theoretical approach to investigate the links between social metrics and productivity and then (2) produce empirical evidence applying that approach.. We welcome innovative methodological approaches that meet the research aims. All bidders should outline:

- Which social metrics theme(s) will be the focus of the research and the specific metrics being used.
- The analytical/theoretical approach being proposed to investigate the links between social metrics and productivity – including how useful the proposed approach would be for future work looking specifically at policy impacts.
- The dataset(s) expected to be used.
- Quality assurance procedures.
- How/if the research will capture any regional or industry specific dimensions.
- Any stakeholder engagement planned as part of the research project.

4. Deliverables

Specific outputs to be delivered are:

- A publishable report summarising the research findings (Council papers are usually around 30-40 pages and always include a 2-3 page executive summary)
- A draft blog post summarising the main findings that can be published on the Council's blog
- Access to any datasets/code (subject to any data protection regulations and/or sharing limitations)
- If not covered in the main report, a short note setting out data gaps and how they limited the analysis - improving measurement and encouraging better use of data across government is an important part of the Council's remit

We expect the research report to include:

- A short summary of relevant literature
- A clear description of the methodology used and why it was chosen; data used; data limitations; data gaps
- Discussion of empirical findings

Part 2: Contract Terms



Contract Terms v6.0