

OFFICIAL-SENSITIVE (COMMERCIAL)



Commissioning Letter

Adroit Economics Ltd  
31 Finchley Road  
Hale  
WA15 9RE

Friday, 08 February 2019

Dear Sirs

**BEIS Research and Evaluation Framework Agreement – Lot 5  
A framework and assessment of delivery capabilities in Local Enterprise Partnerships  
CR18198**

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) Adroit Economics Ltd (the Framework Agreement).

Appendix A: A framework and assessment of delivery capabilities in Local Enterprise Partnerships

Appendix B: Tender dated 14<sup>th</sup> January 2019

This contract shall commence on 13<sup>th</sup> February 2019 and shall end on 19<sup>th</sup> June 2019.

Department for Business, Energy and Industrial Strategy accepts your Tender (Appendix B), submitted in response to our Specification (Appendix A). Adroit Economics Ltd shall undertake the services in alignment with the specification in Appendix A and their bid submitted in 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 £98,075.00 exclusive of VAT which should be added at the prevailing rate. This contract shall not exceed £98,075.00 in alignment with the following commercial breakdown:

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Please ensure that you **DO NOT** alter this spreadsheet. Any alterations may result in your pricing being disqualified.

AW5.2 Price Schedule

SOURCING REFERENCE	CR18198
SOURCING DOCUMENT TITLE	A Framework and assessment of delivery capabilities in Local Enterprise Partnerships
BIDDER NAME	Arrol Economics

Please complete the shaded yellow sections only.

Section 1: Total Project Costs (Summary)

Please note that the staff costs in section 1 cell B22 should equal the staff costs outlined in section 2. Section 2 provides further detail around the project team and the attribution of staff fees.

The figures used for evaluation is the total cost (ex VAT) provided in Section 1 (cell B22). The total cost is the total staff costs (ex VAT) and the total Travel and Subsistence, Overhead costs, cost of production of materials and any other costs associated with the delivery of the project (ex VAT).



Polaris House, North Star Avenue, Swindon, Wiltshire, SN2 1FF [www.ukpbs.co.uk](http://www.ukpbs.co.uk) CR18198

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The agreed invoice schedule is below:-

Inception	£	[REDACTED]
Completion of phase 1	£	[REDACTED]
Delivery of final report	£	[REDACTED]

All invoices should be sent to [finance@services.uksbs.co.uk](mailto: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:

**The Services Commencement Date is 13<sup>th</sup> February 2019.**

**The Completion date is 19<sup>th</sup> June 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.

Your invoice(s) for this work must include the following information:

Commission number: CR18198

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.

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

Yours sincerely

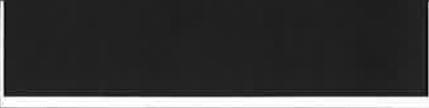
 – Category Manager  
UK Shared Business Services Ltd

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

Name and Title	
Signature	
Date	11/02/19

Signed on behalf of Adroit Economics Ltd

Name and Title	
Signature	
Date	08/02/19

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- **Appendix A Specification**

**Background**

It is a priority of the Department for Business, Energy and Industrial Strategy (BEIS) to deliver the National Industrial Strategy (Annex A), set out in November 2017. The objective of the Industrial Strategy is to improve living standards and deliver economic growth to all parts of the country. The Places foundation of the Industrial Strategy will be achieved through the policy vehicles of Local Industrial Strategies and the UK Shared Prosperity Fund, amongst others.

Local areas in England are being asked to prepare local industrial strategies that prioritise long-term opportunities and tackle challenges in order to increase local productivity. As described in the Policy Prospectus (Annex B), published in October 2018, Local Industrial Strategies will be based on clear evidence and aligned to the IS. The UK government will aim to agree Local Industrial Strategies across England by early 2020. This policy is led 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 Unit has previously delivered policies such as Local Growth Deals – over £9 billion from the Local Growth Fund provided by the government for projects that benefit the local area and economy, such as support for local businesses to train young people, creating new jobs, building new homes and starting infrastructure projects.

Since 2010 Local Enterprise Partnerships have been a means of delivering local growth and increasing local productivity. 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 geographical boundaries aim to provide simplicity, accountability and practicability. They are key delivery partners of many of the place-based policies committed in the Industrial Strategy and their collaboration with the government will be essential to the development of Local Industrial Strategies.

Following commitments made in the Industrial Strategy, the 'Strengthened Local Enterprise Partnerships Review' (Annex C) was published in July 2018. 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. It is however not well understood how ready Local Enterprise Partnerships are at present to effectively deliver the recommendations of the review, and the commitments of the Industrial Strategy that involve them.

Given the many policy pledges that rely on Local Enterprise Partnerships to deliver, the government has a responsibility to establish how well prepared they are and what needs doing to put them all on a path to succeed as delivery partners.

The National Audit Office (Annex D) reported in 2016 that the roles and responsibilities of Local Enterprise Partnerships had grown significantly since 2010, while oversight of their activity by central government has remained relatively light-touch. This has resulted in significant variations (Annex E) in the operational and institutional arrangements of Local Enterprise Partnerships. In response to these and other concerns, the government commissioned Mary Ney to undertake a review of transparency and governance of Local Enterprise Partnerships in 2017. The Mary Ney Review (Annex F) also found significant variations in the governance and transparency structures of Local Enterprise Partnerships. Moreover the light-touch approach to overseeing activities does not distinguish non-institutional factors that may be affecting the observed performance such as local economic uncertainty or demographic changes.

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The fact that arrangements for operational and institutional support are left to the discretion of Local Enterprise Partnerships makes it difficult for the government to design a benchmark that will reflect adequately the diversity of arrangements and responsibilities across all 38 Local Enterprise Partnerships. Such a benchmark was committed in the Strengthened Local Enterprise Partnerships Review. This project will fulfil that commitment.

The improved understanding of the landscape of capabilities in Local Enterprise Partnerships will help the government establish standards by which Local Enterprise Partnerships should be held to account, and what policies, actions, resources and monitoring should be put in place to enable them to perform and deliver to these standards.

An independent framework for benchmarking Local Enterprise Partnerships will enable the government to objectively integrate their individual characteristics and differences into place-based policies and develop institutional support for them.

Bidders are encouraged to submit original proposals

### **Aims**

**To assess the institutional capability (roles, functions, and resources) of all Local Enterprise Partnerships in England to successfully deliver applicable place-based policies of the National Industrial Strategy.**

We require an independent assessment of what a good local policy delivery partner like a Local Enterprise Partnership should look like going forward, including new roles, practices and processes contemplated in the reforms proposed in July 2018. We also need to understand to what extent Local Enterprise Partnerships already perform to those standards, therefore the study also includes a census of all Local Enterprise Partnerships against that independent standard of delivery.

### **Objectives**

- 1. To update the evidence base relating to the capabilities of Local Enterprise Partnerships to perform their roles and responsibilities.**
- 2. Identify conditions and practices that correspond to a policy delivery partner akin to a Local Enterprise Partnership, with responsibility for steering the local economy through policy design, prioritisation, and delivery. It is worth noting here the complexity of managing multiple areas of policy (education, transport, business, social) and balancing competing objectives and resources, for a non-elected delivery partner, whose success is measured in economic performance.**
- 3. Translate these conditions into a framework that can be used to evaluate to what extent each Local Enterprise Partnership currently fulfils these conditions and adopts these practices.**
- 4. To draw specific recommendations for what actions and support are needed to set all Local Enterprise Partnerships onto a minimum level of delivery readiness for place-based policies conferred on them.**

### **Research Questions**

- 1. What functions and practices does a local delivery body akin to a Local Enterprise Partnership need to discharge the roles and responsibilities given to them in the Strengthened Local Enterprise Partnerships review? For example**
  - What resources are needed, staff and otherwise, in house or external? Is this scalable to different sized local economies?

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- What prioritisation processes should be employed?
  - What organisational and reporting structures are required to support delivery?
  - What working relationships with partners in the public, private and civic sectors across the supranational, national, regional and local levels are most effective?
2. How do these change with the economic characteristics of the local area e.g. size, specialism, topography, etc?
  3. **What are the strengths, weaknesses, opportunities, barriers, good practices and specific recommendations to obtaining, increasing and sustaining these capabilities?**

These are just suggested research questions for guidance, bidders are encouraged to submit others in line with their bid.

### **Suggested Methodology**

*This research is divided into Phase 1 and Phase 2. 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 develop a framework that sets out conditions, practices, and capacities for local delivery partners to discharge the roles and responsibilities given to them in the Strengthened Local Enterprise Partnerships review, including design, prioritise and deliver multiple policies at local level the contractor could carry out:

- A review of literature and practice (e.g. National Assurance Framework, Strengthened Local Enterprises review report (Annex G)) of the roles and responsibilities expected of Local Enterprise Partnerships
- Desk research (considering what comparable delivery partners do and how they operate)
  - International comparisons (delivery partners from EU or OECD countries, or similar)
  - Existing UK evidence – local delivery bodies other than Local Enterprise Partnerships and/or local delivery bodies of other government functions such as health, care, education, science or regulation
- Qualitative assessments (focus groups, opinion polls) from policymakers/local partnerships/practitioners to validate the framework against the experience of these practitioners in the UK.
- Consultation with Local Enterprise Partnerships through the LEP Network to gauge their views on the framework, coinciding with the invitation to participate in the census of Phase 2.

The expected output of this phase is a framework of indicators/measures/criteria for identifying and assessing functions and resources typically expected in a local delivery body with the roles and responsibilities of a Local Enterprise Partnership. This is to be drawn up into a quality assured report suitable for publication.

Additionally, this phase will help develop and refine the research questions for the next phase because the framework will subsequently be used to benchmark all Local Enterprise Partnerships in England and should be suitable to establish their relative delivery capability in relation to the framework.

#### **Phase 2**

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Following the successful development of a framework, Phase 2 will deliver a comparative analysis. It could be divided into 3 exercises:

1. 76 semi-structured interviews with each of the 38 Local Enterprise Partnership (a census).
  - BEIS will supply the key contacts: two per Local Enterprise Partnership.
  - It is envisaged that most of these will be telephone interviews but options for face-to-face costings and reasonable adjustments for accessibility reasons should be provided.
  - The steering group will work with the successful bidder to agree on the specific questions asked in the semi-structured interviews, dependent on the results of phase 1.
2. Comparative analysis on the census interviews, to establish the individual capabilities of each Local Enterprise Partnership in relation to the independent benchmark.
3. Agreeing recommendations for what actions and support are needed to set all Local Enterprise Partnerships on to a minimum level of delivery readiness according to the framework.

Under recommendations in the Strengthened Local Enterprise Partnerships Review, the geographical boundaries of Local Enterprise Partnerships are currently under revision. It is not expected that any changes that might arise from these revisions will impact on this study. Where applicable bidders should use current boundaries.

Phase 2 is expected to produce a quality assured report – for internal use only.

### **Deliverables**

In order to increase awareness of research and evaluation reports, the contractor is to ensure the following are included in the costings for this project:

- Suggested qualitative assessment of the framework
- Interview scripts
- Quality assured report – including framework
- Quality assured report – Local Enterprise Partnership benchmarking (for internal use only)
- Summary poster / infographic
- Slide pack summary
- Presentation at a BEIS internal seminar

### **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)

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- 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.