Commissioning Letter

I.F.F RESEARCH LIMITED
5th Floor St Magnus House,
3 Lower Thames Street,
London,
England,
EC3R 6HD

Monday, 14 October 2019

Dear [redacted],

BIS Research and Evaluation Framework Agreement – Lot 1
Business Perceptions Survey 2020
CR19075

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) Department for Business, Energy & Industrial Strategy; and (2) I.F.F Research Limited (the Framework Agreement).

Annexes:
A. Tender dated 30th September 2019
B. Specification for Business Perceptions Survey 2020

The Department for Business,Energy and Industrial Strategy (BEIS) accepts your Tender (Annex A), submitted in response to our Specification (Annex 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 **£119,180.00** exclusive of VAT which should be added at the prevailing rate.

[redacted]

The agreed invoice schedule is as follows:

To be agreed at the inception meeting.

All invoices should be sent to should be sent to finance@services.uksbs.co.uk or Billingham (UKSBS, Queensway House, West Precinct, Billingham, TS23 2NF) A copy of the invoice should be sent to Sarika Gupta sarika.gupta@beis.gov.uk

You are reminded that any Customer Intellectual Property Rights provided in order to perform the Services will remain the property of the Customer.

The Services Commencement Date is Thursday 17th October 2019

The Completion date is Tuesday 31st March 2020

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: CR19075

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

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

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

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

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

Yours sincerely

[redacted]
UK Shared Business Services Ltd

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

Department for Business,Energy and Industrial Strategy (BEIS)

Name and Title	[redacted]
Signature	[redacted]
Date	17/10/2019

Signed on behalf of I.F.F Research Ltd

Name and Title	[redacted]
Signature	[redacted]
Date	14 October 2019

Annex B- Specification for Business Perceptions Survey 2020

1. Background
The objective of the Business Perceptions Survey (BPS) is to determine businesses' views on the extent of the burden of regulation, and whether their perception of the burden has changed, since the previous survey was undertaken in 2018. It is a biennial survey with 8 previous surveys. Data collected includes businesses' views on: • their greatest challenges and how regulation ranks within these; • aspects of regulation considered most burdensome • compliance costs. • Impact of regulation on innovative activity The survey provides indicative measures of how we are achieving our wider commitments to create a positive regulatory environment for businesses. Apart from continuing to track perceptions, the 2020 survey is also proposed to undertake a pilot rewording some of the core questions to ensure the responses are not biased owing to the way the questions are worded. We will also be refining the definition of Innovation to match the Oslo definition more closely.
2. Aims and Objectives of the Project

The objective of the BPS is to determine businesses' views on the extent of the burden of regulation, and whether their perception of the burden has changed, since the previous survey was undertaken (as also the surveys over the last few years). This includes assessing business perceptions on how regulation is enforced and delivered in practice. Where possible we are keen to determine whether any improvement in the perception of the burden is potentially down to changes in Government policy and/or whether regulation is also perceived to be impacting on innovation and growth.

It is a priority for BEIS to reduce regulatory burdens and improve the way regulation is delivered, in order to provide a regulatory environment that supports growth whilst maintaining protections. Governments have announced their commitment through the introduction of a statutory Business Impact Target to help reduce the stock and flow of regulation. They have also undertaken initiatives to improve the business environment – through the Regulators' Code, the Growth Duty on regulators and previous cutting red tape reviews. It is important that the impact of these actions is tracked, and the BPS gives BEIS an opportunity to assess how far these measures have been felt by businesses and where there is a need to focus more effort.

The survey also contributes to the Department's wider aims around business growth in terms of helping identify areas where regulatory burdens may be affecting business activities and what we might do to remove them and improve the regulatory environment. 2020 is an important year to run the survey because it provides a baseline at/before our exit from the EU and helps us understand business perceptions when considering regulatory changes in the future. (It also continues the biennial programme of previous surveys.)
The survey gathers intelligence for policy development – as results help identify areas where regulatory burdens may be affecting business activities and what we might do to remove them. The outputs can and have been used to determine our future focus and work programmes. Regulation Delivery (now part of the Office for Product Safety and Standards) have previously used the data to inform the development of tools to support good regulatory delivery, including Primary Authority and intend to use this survey as part of tracking impact of the Regulators' Code and the Growth Duty from businesses perspective.
The proposed refined questions on impact on innovation would help provide a baseline of Government's regulatory initiatives to encourage innovative businesses.

3. Suggested Methodology

If applicable: **Total number of interviews (survey)**	**Insert numbers:** **2000 + additional approx.500/600 as recommended by contractor for pilot**

Quantitative data collection and analysis.

This is a cross sectional survey and contractors need to draw a fresh sample of businesses to interview. We compare survey results over time but not respondents. A similar sampling and survey method to previous surveys should be used to ensure comparability. However, different methods are acceptable provided contractors can illustrate comparability will be maintained and if improvements can be made on previous surveys. Contractor to provide how weighting will be done and its impact on significance of results.

The last survey collected data from a stratified sample of 2,001 businesses, allowing inferences to be made by 5 size bands, 9 main sectors and the 4 UK countries. Interviews were conducted over the phone with a senior member of staff with responsibility for legal or compliance issues. Key stages in the project:

Stage 1: Questionnaire design and sample frame and sample specification

Stage 2: A survey of 2,000 businesses taking an average of 20 minutes using Computer Assisted Telephone Interviews (CATI). (Or alternative method suggested by contractor if it could be shown to be comparable with previous years and provide better value for money or improvements over previous survey methodology.) An additional 500-600 businesses would be surveyed to pilot the reworded questions.

Stage 3: Analysis and Reporting The
survey asks:

- A small set of questions covering business demographics e.g. size, turnover, recent growth and collects businesses' views on:
- the greatest challenges facing them generally and the extent to which regulation in particular is considered an obstacle to business success
- government's approach to regulation
- aspects of regulation and areas of law considered most burdensome
- their experience with regulators
- the overall time spent on complying with regulations

- sources of support – including reliance and expenditure on external business agents to ensure compliance

It then collects their expectations of future regulatory burdens – and the reasons behind these.

Contractor could also undertake a Key Driver Analysis. For example this can help understand what factors (sector etc) and what statements around burden drive how people rate other aspects of the survey. This will help understand what attitudes/questions are key to businesses. Contractor to suggest what key driver analysis could be undertaken. Proposed modification for 2020

In the 2020 survey we propose to additionally investigate regulatory burdens, if any, on innovation. The definition proposed for innovation is the one used by OECD in the Oslo manual- Implemented a new or significantly improved product (good or service), or process or business model. This simple definition will ensure it is understandable by businesses and they are able to provide a robust response.

Further, we propose to reword some core questions and pilot on an additional 500-600 businesses (to be suggested by contractor) over and above the 2000, as there have been some concerns on the leading (negative) nature of the questions. The suggestion is to not change the questions for the whole survey to ensure we still keep the time series element of the survey unless there is strong evidence that a change in wording leads to significantly different and more reliable answers. The core questions relate primarily (but could include more) relate to:

- Burden of regulation over next 12 months
- Regulation as an obstacle to business success
- Complying with regulation as the greatest challenge

Contractor should outline if 500-600 businesses for this pilot is sufficient and what sub group analysis can be undertaken.

Other minor additions / amendments may also be expected. We would take advice from contractors on the specifics during the development of the questionnaire. Many of the questions will remain unchanged as we wish to continue the existing time series on key questions. Contractors should build in time to work with BEIS to design the new questions and pilot/ cognitively test them. The pilot with revised questions is expected to run at the same time as the main survey, so will be used to inform the design of the survey for the next wave.

BPS 2018 achieved 2001 interviews, lasting an average of 20 mins. The sampling method must be designed to achieve full responses for a representative sample of businesses, selected at random. We recommend that contractors consider a similar sampling method to the one used in the 2018 BPS. However, different methods are acceptable provided contractors can illustrate comparability will be maintained.

As with previous waves of the BPS, contractors should bear in mind our need to make statistically representative statements according to broad industry (9 broad industrial sectors as per previous surveys) and firm size. The tender should outline recommendations for:

- Sample stratification that ensures: 1) robust analysis at an industry, firm-size and country level, and 2) a representative sample, with sufficient numbers in each size band and SIC group for analytical purposes.

- Obtaining a suitable sample frame[19]; indicating 1) the advantages and any limitations of your proposed approach (including coverage, particularly of micro businesses), and 2) how it can provide a robust and representative sample.

We have requested that contractors use a CATI telephone survey to interview businesses. Contractors should explain their approach to the fieldwork by outlining the following:

- How the fieldwork would be conducted and how progress would be monitored. Contractors should also demonstrate that their interviewers have the necessary training, skills and experience to conduct interviews of this type, and also provide a description of standard briefing procedures for a project of this type.
- The problems and challenges of collecting the data and how you will overcome these. How weighting is undertaken and its effect on significance of results.
- The response rate anticipated from the survey. BEIS places considerable importance on achieving high response rates. This should be supported with evidence from the previous similar surveys conducted by the organisation, an account of the methods that will be used to maximise response rates, and the protocols they intend to use to minimise non-response bias, and therefore minimise the number of contacts needed to achieve the required sample size.

Project Management Arrangements

The Project Steering Group will be formed of officials from BEIS's Analysis team, Better Regulation Executive and Office for Product Safety and Standards. It will meet up to 3 times during the project and the cost of attending these meetings at BEIS in London (1 Victoria Street) should be included in the tender. At least one of these meetings will be a presentation of the results. Tenders should expect to prepare a PowerPoint or similar for this meeting of the survey results for discussion before report writing. This meeting is likely to include a slightly wider audience of BEIS officials than the steering group.

To ensure consistency and comparability we would like the fieldwork for the 2020 BPS to be undertaken approximately the same months as last few surveys. This means that fieldwork should commence in early January 2020 and be completed by mid-end of February 2018. A draft of the Report should be available by mid-end March 2020.

Please specify the timescale that you would be prepared to work to on this project. Please be clear of any significant milestones on the project and how long the project would take from commissioning to completion. It is important to ensure that you are realistic with the timings as it will be assumed that your proposal here will be based on timings that you would expect to work to for a project in this category.

In all aspects of the survey design and methodology it is very important for the time series to be continued and to ensure comparability with previous waves. We will only accept bids which use a telephone survey, to ensure comparability.

4. Deliverables

[19] The sample in 2018 was drawn from the Dun & Bradstreet commercial business database.

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

- Summary poster / Infographic
- Slide pack summary

The contractors will provide the study team with the following outputs:

- A detailed timetable outlining how the project will be delivered. This should also include key risks for slippage and proposed mitigation actions. Initial work, discussion of questions, cognitive testing, piloting should be undertaken between October-December 2019. Survey should be conducted between January-mid/end February 2020. Final Report should be available by March 2020. Suppliers can propose alternative time tables as long as they complete deliverables by end of contract date.
- A weekly progress update summarising the progress that has been made and drawing attention to any emerging issues, including achieved interview projections and any risks to the delivery of the assignment within the required timescale.
- An analysis of the results and relevant cross-tabulations. This output would be in the format of at least one draft and one full, detailed report. There will be some subgroup analysis by business size and sector. This should include a detailed technical analysis including response rates and confidence intervals, and statistical weightings for the data. Contractors should refer to the Business Perceptions Survey 2016 and 2018 for an idea of the quality of analysis and report. However, additional suggestions on analysis that could be undertaken would be looked at favourably.
- A written report of findings, including stand-alone executive summary, which will be published. The final report will be written for the general reader and should be grammatically correct. The final content will be agreed with the contractors at analysis stage.
- A full technical annex detailing the methodology of the survey and of analysis. This should include full detail on the conduct of the survey and analysis of findings: the sample design and approach taken; cognitive interviews; pilots; conduct of fieldwork and response rates; details of the derivation of weights; and information on how analysis was conducted including statistical testing
- Full hard copy and electronic datasets (e.g. spreadsheets or SPSS files) for use by the organisations and in a form that can be published under the Government's data transparency requirements. This should include all core question variables and all derived variables generated during the sampling, coding, editing and analysis process. All variables must be fully labelled using agreed labels and coding frames.
- A slide pack summarising the key findings and a seminar where the results and conclusions are shown to key internal stakeholders and interested departments across government.

The project team will comment on the draft report. It is likely that the final report will be published on GOV.UK, and we therefore stress the importance of a well-structured report, that is written for the general reader and grammatically correct. More specific reporting requirements can be offered on commissioning.

Publication

The final report for this research / evaluation project must be formatted according to BEIS publication guidelines, therefore within the Research paper series template and adhering to

BEIS accessibility requirements for all publications on GOV.UK. The publication template will be provided by the project manager. Please ensure you note the following in terms of accessibility:

Checklist for Word accessibility

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

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