

Commissioning Letter

TECHNOPOLIS LIMITED  
3 Pavilion Buildings,  
Brighton,  
East Sussex,  
BN1 1EE

Thursday, 31 October 2019

Dear [REDACTED]

**BIS Research and Evaluation Framework Agreement – Lot 3  
Sector Deal Monitoring and Evaluation Scoping Study  
CR19069**

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) Technopolis Limited (the Framework Agreement).

Annexes:     A.     Specification for Sector Deal Monitoring and Evaluation Scoping Study  
              B.     Tender dated 11<sup>th</sup> October 2019

The Department for Business, Energy and Industrial Strategy (BEIS) accepts your Tender (Annex B), submitted in response to our Specification (Annex A).

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 **£79,650.00** exclusive of VAT which should be added at the prevailing rate. As per the below price schedule;



The agreed invoice schedule is as follows:

**This varies project from project (PM to confirm)**

- [REDACTED]
- [REDACTED]
- [REDACTED]

All invoices should be sent to [finance@services.ukpbs.co.uk](mailto:finance@services.ukpbs.co.uk) or Billingham (UKPBS, 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 Services Commencement Date is Monday 04<sup>th</sup> November 2019**

**The Completion date is Tuesday 31<sup>st</sup> 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: CR19069

The Authorised Representative for this Commission will be [REDACTED]

Until the date of publication (subject to Ministerial approval and the decision to progress to the evaluation itself), 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)

<b>Name and Title</b>	[Redacted]
<b>Signature</b>	[Redacted]
<b>Date</b>	04.11.19.

Signed on behalf of TECHNOLIS LIMITED

<b>Name and Title</b>	[Redacted]
<b>Signature</b>	[Redacted]
<b>Date</b>	31 October 2019

Annex: A. Specification for Sector Deal Monitoring and Evaluation Scoping Study

## 1. Background

Sector Deals (SDs) is a flagship Government policy and an important part of the Industrial Strategy. SDs are long-term partnerships between Government and Industry aimed at increasing sectors' productivity, skills, innovation and jobs by working together to tackle sector-specific issues. There are 11 published SDs<sup>1</sup>, some (advanced) in their second year, some published only recently. It is important that Monitoring & Evaluation (M&E) design is able to incorporate the feedback from existing SDs into the M&E of potential future SDs.

Robustly assessing the progress and success of the Sector Deal programme will also be important to fulfil Government's wider reporting requirements, and transfer lessons learnt to other programmes. BEIS is committed to monitoring and evaluating Sector Deals and the BEIS approach to M&E has been endorsed by BEIS Ministers and senior officials across the Government.

SDs are led by different Government Departments (e.g. Construction is led by BEIS; Artificial Intelligence is led by DCMS, etc) and it is important that a common approach to M&E is applicable to all SDs. Although BEIS do not 'own' all deals it does have oversight, so all Sector Deals have a similar approach to monitoring and evaluation (the approach BEIS has developed), although resource for monitoring and evaluation varies across deals.

Many SDs incorporate R&D policies funded by Industrial Strategy Challenge Fund and as these policies will be evaluated separately (by UKRI), it is paramount that the remaining elements of SDs and the programme as a whole are evaluated also, incorporating the (forthcoming) results of ISCF evaluations.

Deals are not subject to revisions once they have been published. However, a 'Sector Deal 2.0' may be published if the collaborative approach is deemed to be working and some of the commitments in the original deal have been met or could be extended. This is not a requirement for all deals, and the commitments in the first deal will still stand. Progress will be measured against the commitments in the published deals.

BEIS is interested in the impact of the SD approach on the objectives of SDs, and on any other achievements beyond the objectives - for example, have the sector deals improved sector confidence and made things happen at a larger scale, quicker or better than otherwise would have been? Therefore, we are asking if the sector deals policy is more effective than a counterfactual policy.

The cross-Whitehall working assumption is the Sector Deal policy and analytical teams in Government will be collaborating with the industry on collecting the data and reporting on their sector and Sector Deal.

Sources bidders can refer to include:

<https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the->

<sup>1</sup> Life Sciences (1&2), Automotive, Creative Industries, Artificial Intelligence, Construction, Nuclear, Aerospace, Rail, Offshore Wind and Tourism.

future

<https://www.gov.uk/government/publications/industrial-strategy-sector-deals/introduction-to-sector-deals>

<https://www.gov.uk/government/publications/forging-our-future-industrial-strategy-the-story-so-far>

<https://www.gov.uk/government/publications/artificial-intelligence-sector-deal/ai-sector-deal-one-year-on>

<https://www.gov.uk/government/publications/construction-sector-deal/construction-sector-deal-one-year-on>

A supplier engagement day was held on the 13<sup>th</sup> September 2019 and the content of this supplier engagement day can be found in appendix 1 and appendix 2.

## **2. Aims and Objectives of the Project**

### **Overview:**

BEIS wishes to commission a Scoping Study on the practical ways of monitoring and evaluation (M&E) of the Sector Deals programme of the Industrial Strategy. We are seeking proposals from evaluation experts on research methods that would help to monitor and identify the overall impact of the Sector Deal programme on the objectives of the Industrial Strategy including productivity, jobs, innovation and skills.

The primary output will be a report. It should include the assessment by evaluation experts of potential options for *how* to robustly monitor and evaluate Sector Deals at a programme level and of the optimal timing of the evaluation. It should propose options covering research methods, potential data and other evidence sources, timings, as well as feasibility of their application in a Sector Deals context.

The study will provide guidance on the most appropriate and practical methods of monitoring and evaluation, which Government analysts may wish to commission externally as part of the M&E of the Sector Deals programme. Subject to Ministerial approval and the decision to progress to the evaluation itself, the study will be published so that the forthcoming M&E of the programme allows for transparent reporting of successes and lessons learnt, contributes to ongoing evaluation plans of individual SDs and enables the department to reassure external stakeholders of impact.

### **Aims and Objectives:**

We are asking the successful bidder to analyse the Sector Deal programme and evidence and produce options for potential methods to monitor and evaluate the process and impact of the Sector Deal programme on productivity, jobs, innovation and skills. It should build on an evaluation framework that has been developed internally, endorsed by Ministers and embedded into individual SDs. We are not seeking advice on the evaluation of individual SDs. The aim of the project is to identify practical options to action our framework and robustly monitor and evaluate this complex, broad and long-term programme.

We expect the scoping study to suggest potential options for overcoming the following M&E challenges:

- What success measures and monitoring indicators look like at each stage of the programme
- How to track and measure overall impact consistently and robustly at certain (and which) points in time and over time
- How to incorporate existing evaluations of (parts of) SDs, esp. in the limited cases where Sector Deals involve bespoke funding or funding from ISCF
- The mechanisms of sharing lessons learned from successes and challenges across the individual Sector Deals and from the programme overall – to inform future policy development.

The study should cover the analytical methods of assessing: how Sector Deals are being delivered (process evaluation), what gross and net impacts they generate (impact evaluation), and how to identify where improvements can be made (transferable learning). We do not expect an economic assessment of value for money to be addressed due to complexity.

The only deals in scope are the 11 published Sector Deals (Life Sciences 1&2, Automotive, Creative Industries, Artificial Intelligence, Construction, Nuclear, Aerospace, Rail, Offshore Wind, Tourism). Given our expectations for the monitoring and evaluation approach of the whole Sector Deal programme to be agile, we think these 11 deals provide sufficient variety for such an approach to be developed.

#### **Research Questions:**

- What research methods are most appropriate to robustly monitor and evaluate the process and impact of such a complex, broad and long-term programme, at each stage of the SD programme from Inputs to Impacts? How do we ensure the agility of the evaluation design, so lessons learned from the implementation and delivery of advanced SDs fed into the design of M&E of SDs that are at their earlier stages? How, if at all, the current set of M&E metrics for the SD programme needs to change in order to enable such monitoring and evaluation of the process and impact?
- What are potential approaches to the aggregation of the programme level metrics, given these will come from multiple sources (including from evaluations of some funded interventions within some Sector Deals) and at different times of the year (and in different years) for different sectors in the programme? What are the options for the timing to report them?
- How might we establish a counterfactual for the programme and attribute Impacts to the Sector Deal programme when many and varied interventions are happening in sectors simultaneously? What would be the optimal timing of the evaluation?
- How might we capture spill-over benefits from sector deal projects and account for overlaps between sectors and sector deal interventions?
- What existing quantitative and qualitative evidence shall we draw on for both

monitoring and evaluation, what shall we collect for each link of the logic chain to enable monitoring and what shall we collect to answer research questions as part of the evaluation, using what methods and what frequency?

### **What decisions/processes will it inform?**

A key element of this scoping study will be for the commissioned evaluation expert(s) to become familiar with the policy and the evaluation requirements and offer potential evaluation options that BEIS would consider when deciding to commission the evaluation itself. We would like the options to cover potential research methods, data and other evidence sources – to enable BEIS's subsequent decision on the nature, scale, timing and methods of evaluation.

We expect the contractors to hold conversations with Individual Sector Deal leads and review their M&E plans, critically assess and review the M&E framework for the SD programme as a whole, including programme level logic model and common metrics, and suggest how we can ensure good quality data collection for M&E. We would also seek their views on the research questions and on how the data should be collected and analysed in order to address these questions.

To inform potential subsequent commission of the evaluation itself, we would ask contractors to estimate costs for each element of their evaluation design and identify the risks to the successful delivery and to usefulness of an evaluation as well as mitigations that would allow these to be overcome.

Subject to the decision to progress to the evaluation, the evaluation itself is expected to benefit from this research on how to aggregate the impacts across the Sector Deals when measuring success at a programme level; how overlaps between Sector Deals and between interventions within Sector Deals could be accounted for; how a counterfactual can be established and impacts attributed to the SD programme; and how to capture spill-overs.

### **What other streams of work will it feed into?**

It will enhance understanding of evaluation methods of complex programmes across the department, which can be integrated into other evaluation plans. The SD programme overlaps with the Grand Challenges (e.g. Artificial Intelligence SD and Artificial Intelligence Grand Challenge) and the ISCF (e.g. the Automotive SD and The Faraday Battery Challenge). It also overlaps with the IS Council work on defining success metrics and monitoring the progress of Industrial Strategy, including Sector Deals.

The Government analysts leading on these workstreams already collaborate with each other to ensure a consistent approach to M&E across all IS programmes. However, SDs are ahead of most of these M&E plans, e.g. E&M of Grand Challenges is at the development stages, and hence they will benefit from the findings of the scoping study. Each Sector Deal's individual M&E plans would also be shaped by the findings of the scoping study because each SD in turn consists of a number of policy interventions.

The study findings will be shared with individual SD leads (both in BEIS and other Government Departments), UKRI and BEIS analysts leading on Grand Challenges. Hence, it will inform potential future Government evaluations of complex, multi-layered, interventions. The findings will also be shared with analysts and policy colleagues across Whitehall through our participation and/or chairing of various Industrial Strategy related cross-



Whitehall boards. Subject to Ministerial approval and the decision to progress to the evaluation itself, we expect the study to be published because then, ultimately, it will inform an ITT for the evaluation of the SD programme.

#### **Existing Research:**

No scoping study has been conducted on the SD programme (or another similar programme) to date, but Government analysts have developed a monitoring and evaluation framework for the SD programme. It has Ministerial approval and was presented at the UK Evaluation Society's Annual Conference in May 2019. The evaluation experts agreed that the use of a common set of quantitative metrics alone would not be sufficient or robust for understanding the Impacts of the SD programme. They pointed to the potential offered by qualitative methods (such as contribution tracing, process tracing, outcome harvesting, adaptive programming, stories of change and qualitative comparative analysis) further in line with the forthcoming advice in the revised Magenta Book. It was also suggested that because the Sector Deal Programme is continuously evolving, new deals are being published, a "developmental" evaluation approach that can be adapted in real time would be appropriate.

The M&E framework has been (and is expected to be) embedded into all SDs and each Sector Deal is expected to have its own M&E plans (including logic models), consistent with this framework. However, while the approach will be consistent, evidence collected by each SD will vary by source, type and timing so there is a challenge (that individual SDs will not be able to meet) of synthesising this information at the programme level to form an objective judgement on the overall progress and impact of Sector Deals. The individual SD logic models will be shared with the successful bidder.

ISCF projects (where they form part of SDs and hence are consistent with the framework) will also have M&E plans, managed by UKRI, but there is a challenge of incorporating their findings into the M&E of SDs at the programme level.

Every ISCF Challenge will be evaluated separately. An ISCF framework has been developed at a whole fund level; it gives guidance on what should be included in a Challenge evaluation and sets minimum data collection requirements. Beyond this it is not prescriptive, and any additional data collection will be determined at individual Challenge-level.

As the ISCF challenges have been announced in "waves" they are at different stages. Most are at a stage where they have evaluation plans in place, with a handful already commissioned and underway. A representative from UKRI will sit on the BEIS Steering Group for this scoping study. They will be able to inform the winning supplier of exactly what is being collected, when, and what can be shared with the successful bidder beyond what is available publicly.

Finally, there is ongoing work in BEIS and across Whitehall regarding M&E of the Industrial Strategy at a higher level, including its Foundations, the Sector Deals and Grand Challenges.

### 3. Suggested Methodology

<b>Specific requirements</b>	<p><b>One workshop with Individual Sector deal leads (currently 11 Sector Deals) to Identify existing evidence and M&amp;E plans that each SD has</b></p> <p><b>A desk-based review of potential approaches to M&amp;E of complex programmes</b></p> <p><b>Development of options, metrics and timings for M&amp;E of the Sector Deals programme as a whole</b></p>
------------------------------	---

The research should include consideration of the following key elements:

- Familiarisation with the Sector Deal programme to get an understanding of the breadth of the programme, its rationale and key objectives and the variety of commitments involved. This should include discussions with stakeholders at a workshop (including SD leads and potentially other stakeholders requested by contractors) as well as a desk-based review of published SDs and relevant materials available to each SD.
- Familiarisation with the monitoring and evaluation framework developed by BEIS to date (including through conversations with SD leads), to identify what can be built upon, what information is likely to be provided by each SD (including on the timing of delivery and availability of M&E metrics at the milestones), and whether any gaps need to be addressed, e.g. in the underpinning assumptions.
- Desk based literature review of possible methods and proposals on their applicability to a process evaluation. Options should be given spelling out the advantages and disadvantages of each.
- Desk based literature review of possible methods and proposals on their applicability to an impact evaluation. Options should be given spelling out the advantages and disadvantages of each.
- Analysis of potential approaches to establishing counterfactual(s) for the programme and identification of net impacts of the sector deals programme
- Analysis of potential timings of evaluation, given the different stages at which individual SDs are, and options for assessing the impacts at particular points in time and over time.
- Analysis of potential approaches to aggregating the metrics across all SDs and accounting for spillovers – across the sector deals and spatially.
- Quality assurance of the common set of metrics that have been developed by BEIS and if necessary, proposals for additional indicators at the programme level, including what quantitative and qualitative evidence and when needs to be collected and what techniques should be employed (e.g. surveys, case studies).
- Produce a report, allowing for feedback and changes at the drafting stages, and give a presentation of the final report.

#### 4. Deliverables

**Initial project design meeting:** At the start of the project, the contractors will meet with the BEIS project Steering Group and agree what will be analysed and how, what will be reported and when, and how the results will be quality assured.

**Analysis of data/evidence available to Individual SDs, their M&E plans and how these fit with ISCF evaluations where appropriate:** As part of the project the contractors will hold a workshop with SD leads and analysis of this information will be shared with BEIS as interim findings at a progress update meeting.

**Progress update to the BEIS steering group:** At a milestone expected to be around halfway through the project (this will be decided at the project design stage), the contractors should present to the Steering Group the results of their analysis and preliminary suggestions about the approach(es) to M&E of the SD programme; these will be discussed and commented on by the Steering Group.

**Draft final report:** A Draft Final Report should be prepared approximately a month before the end of the project; it will be quality assured by the BEIS Steering Group and by two external reviewers from the BEIS Peer Review Group.

**Final report:** On completion of the final report, it will be presented at BEIS by the contractors.

The primary output of this study will be the final report.

