

# **Appendix 1**

## **Request for Quotation for Support for the production of the Oxford-Cambridge Arc Productivity Business Case**

### **RFQ Specification**

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#### **1. Request**

The Oxford-Cambridge Arc Productivity Group, led by the 3 Local Enterprise Partnerships for Oxfordshire, Buckinghamshire and the South East Midlands together with the Combined Authority for Cambridge and Peterborough, are looking for a single partner to provide a Green Book Compliant Business Case for the ARC Productivity activity to support a proposition to the Government Comprehensive Spending Review from Spring 2020. The business case(s) should be formatted in the standard five case model and reflect the required inputs and outputs. The business case(s) will cover the next five years and provide a comprehensive and detailed analysis of the costs and benefits associated with the Productivity Programme.

#### **2. Commissioning**

The responsibility for specifying and commissioning this project falls to the Oxford to Cambridge Arc LEP Chief Execs (Oxfordshire, Buckinghamshire and South East Midlands) and the Cambridge and Peterborough Combined Authority. This group will appoint a named individual to lead the commissioning process and form the primary point of contact for the ongoing piece of work.

### 3. Introduction

The Arc LEPs comprising Oxfordshire LEP, Buckinghamshire LEP, South East Midlands LEP and the Cambridgeshire and Peterborough Combined Authority (CPCA) have established a joint Productivity Group and have published an Economic Vision and four Local Industrial Strategies, which contain a common set of commitments to be taken forward on an Arc wide basis.

The Oxford-Cambridge Arc cuts across administrative boundaries providing the opportunity for greater economic collaboration than ever before. The Arc offers government and local partners the opportunity to act at scale with a consistent approach across a wide region. In order to develop a comprehensive and defective programme of activity the Arc leaders have formed four workstreams covering:

- Productivity
- Connectivity
- Place
- Environment

The Arc is not yet a single ecosystem and has the potential to drive significant economic growth and productivity if more can be done to connect its numerous assets in a manner which demonstrably adds value. Achieving this will involve both building on existing strengths and providing the best environment possible for the growth of existing and the emergence of new business.

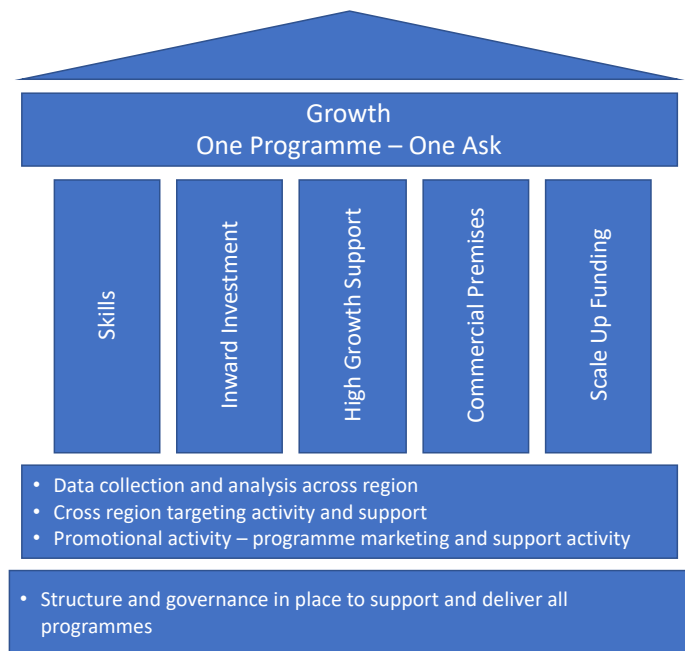
Local LEP/CA partners are working together to develop and deliver the productivity workstream and ensure that the implementation maximises the economic potential of the wider Arc region.

As part of the wider Arc contribution to the government comprehensive spending review – expected in March or April 2020 – the Productivity group is preparing a business case and ‘ask’ for government to provide support for its activities over the next five years.

The Productivity group recognise that we need to create a compelling case for investment reflecting that;

- We are competing with other areas for attention and deals.
- Scale, impact and innovation are critical.
- Central Government are looking for credible delivery arrangements,
- And that there will be rigorous Treasury scrutiny of proposals.

The productivity group has agreed the structure for the overall Business Case and wish to create a single programme made up of five key pillars of activity and supporting elements.



The productivity group has allocated clear leadership to these pillars of activity and these leaders will be responsible for supporting the business case development work.

Proposition	Leadership (primary support)
Skills	Cambridge & Peterborough (Bucks)
Inward Investment	OXLEP (SEMLEP)
Business Support	Bucks LEP (C&P)
Commercial Premises	SEMLEP (OXLEP)
Scale up funding	All

Once the business case has been approved and funded the lead LEP/CA is responsible:

- On behalf of the whole of the Arc to develop the offer and proposition with clear targets and metrics
- Develop an appropriate targeting and resource plan
- Work with other LEP/CA to deliver the programme at a local level

The request for more support broadly falls into three areas;

- Committed resources over three to five years to allow us to recruit and retain the right teams to support and deliver these critical programmes.
- Support for the development of funding sources – that may include seed or anchor funding.
- Alignment of central government resources in Education, International Trade, and others to better facilitate activities.

The productivity group is in the process of agreeing a single ambition for this programme:

**Arc Vision** To reinforce our place as the most innovative, growth orientated region of the world

**Productivity Ambition**

Our ambition for the region is to become:

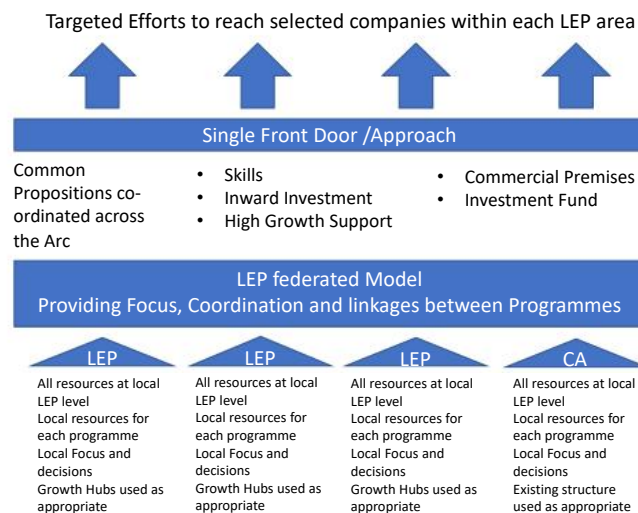
- The top region for global inward investment
- The world leading region in Space, Bio Science, \*\*\*\*\*, \*\*\*\*\*
- The best talent developed and retained in the region
- The region with the most high growth businesses in Europe
- Double the GVA of the region by 2050
- Productivity raised by \*\*% by 2030

**The Key Principles**

- Creating sustainable development
- Inclusive growth with no one left behind
- Supporting the Place, Connectivity, Environment and University initiatives of the Arc
- Long term funding model in place

The delivery and governance structure will be straight-forward, and pragmatic designed to ensure we gain the appropriate advantages of the scale and reach of the Arc whilst leveraging the LEPs intimate knowledge of their local business community.

The outline structure is as follows. The detailed governance model will be in parallel with the business case process.



A mix of tasks will be performed at LEP and Arc level to deliver the most effective solution. This scheme of allocation is being developed but the following provides a draft potential solution:

Programme	Arc Wide	Local (In LEP/CA Area)
Growth - One Programme	Co-ordination and governance	
Skills	Offer development Resource allocation Targeting Criteria	Opportunity selection Local programme management and delivery
Inward Investment	Offer development Sector specialism	Company/opportunity selection Local key account management and delivery
High Growth Support	Offer development Resource allocation Company Targeting Criteria	Company Selection Local key account management and delivery
Commercial Premises	Offer development Resource allocation Location type targeting	Opportunity selection Local programme management and delivery
Scale Up Funding	Offer development Resource allocation Targeting criteria	Opportunity selection Local programme management and delivery
Data collection and analysis	Common frameworks and collection consistency	Data collection and local analysis

#### 4. Prioritisation and Structure

Whilst the Productivity group wish to produce a single integrated business case they recognize that some of the pillars of activity they have described will provide more impact earlier in the overall programme.

Pillar/ Case	Single Programme	Skills	Inward Investment	High Growth Support	Commercial Premises	Scale Up Funding
SOC – Strategic Outline Case	Outline Exists Refinement required	Outline Exists	Outline Exists	Outline Exists	Outline Exists	Outline Exists
OBC – Outline business Case	To be developed				To be developed as part of overarching narrative	To be developed as part of overarching narrative
FBC – Full Business Case	To be developed as a single case	To be developed as part of overarching narrative	To be developed as part of overarching narrative	To be developed as part of overarching narrative		

To reflect this, we are looking for full business case details for Three Pillars – Skills, Inward Investment and High Growth Support and the development of an Outline Business Case for Commercial Premises and Scale Up Funding.

The business plans must reflect the contribution and direction from the other Arc working groups as appropriate – For instance the Arc University group, Place, Connectivity and Environment.

#### 5. Pillars of Activity

The productivity groups objective is to ensure that the Arc is **‘recognised as the top region in the UK in which to grow a successful innovative business with an unparalleled business ecosystem to identify and provide targeted support for new investors and high-growth firms’**

Achieving this objective must be reflected in hard measurable output that is reflected in the business case. Our programmes will deliver measurable results for companies across the region, including:

- Increasing numbers of businesses engaged directly within productivity programme
- Increasing the overall productivity of the region – measured by GVA per hour worked
- Increased R&D Investment

In summary the five Pillars are:

1. **Pillar One - Skills:** Our comprehensive skills strategy brings together the obvious strengths within our region to address significant areas of opportunity. The programme will allow us to retain more of our talented individuals and place proper emphasis on Further and T-Level education to meet the needs of our diverse commercial base.
2. **Pillar Two - Inward Investment:** The Arc region represents the second largest inward investment opportunity in the UK, we will seize on this opportunity through effective use of resources to develop a set of compelling investable opportunities and through supporting the Arc business base to trade more effectively internationally.
3. **Pillar Three - High Growth Support:** The region recognizes the particular needs businesses with high growth potential. This programme will deliver highly targeted support to these businesses ensuring they have the best possible chance to achieve their potential.
4. **Pillar Four - Commercial Premises:** The region sees clear market failure in the provision of appropriate commercial premises to deliver the type and style of development we need. The programme will provide support to deliver the right mix of appropriate commercial development across the Arc.
5. **Pillar Five - Scale Up Fund:** The region recognises that that there is a gap in investment for companies that provide the vital skills and growth potential we need in our region and meet our long-term growth goals. The programme will create a fund to support these businesses across the region.

We have developed individual metrics for each of the Pillars that you will find in the Pillar Outlines in Appendix a.

In addition, we wish to support the development of three cross Pillar elements underpinning the business case:

- Arc Data Lab: Data collection and analysis across region to support programmes and provide data to support policy and service development
- Regional Targeting: Company information and activity analysis to support resource allocation and targeting
- Regional Promotion: Creating consistent messaging and support for programmes across region

## 6. Observations

The base data for these pillars of activity exist but it has been assembled in support of each Local Industrial Strategy and Economic Vision and is therefore available within each LEP area. The appointed supplier will need to create a single business case across the region applying aligning the individual evidence bases aligning the individual local industrial strategies. The research teams from the LEPs and the Combined Authority will support this process.

## **7. Collaborative Working**

The LEP Chief Executives are keen to work in a collaborative manner with the selected partner and would expect the partner to work closely with the commissioning team, the appointed programme leader and the individual workstream teams as appropriate. We would encourage the selected supplier to make contributions to the developing ideas and suggest innovative solutions and approaches based on their experience elsewhere.

The LEP team will make available data and individuals as appropriate to support this initiative and will look to the selected partner to develop a comprehensive list of data requirements.

## **8. Timescales**

The LEP Chief Executives hope to appoint the selected supplier by early January 2020 and would seek for the business case production to take place between January-March 2020. This will involve Business Case Production including liaison with commissioning group, Arc Productivity Group and other local partners.

By end February 2020 we would look for the emerging business case to be considered by the Productivity Group, Individual LEP Boards and endorsed by Arc Leaders Group in March 2020. By end March 2020 the final business case would be finished and prepared for submission into the Arc Team of the Ministry of Housing Communities and Local Government for the Comprehensive Spending Review.

### **Detailed Timescale**

- RFQ released: 2<sup>nd</sup> December 2019
- Clarifications: 3<sup>rd</sup> December to 20<sup>th</sup> December 2019
- RFQ response returned: 3<sup>rd</sup> January 2020 no later than 12 noon
- Evaluation panel: Week Commencing January 6<sup>th</sup> 2020
- Contract start: Monday 13<sup>th</sup> January 2020
- Presentation to Productivity Group February 2020
- Presentation to Arc Leaders March 2020

## **9 Budget**

The total budget for this commission is up to a maximum of £120k plus VAT, applicants would be expected to outline in their pricing schedule supporting this submission the breakdown of the expenditure including individual day rates for staff working on this project and any would need to outline any anticipated production expenses that would sit outside of the core budget.

## **10 Contact Information**

For an informal conversation relating to this commission please contact :-

Ian Barham, Buckinghamshire LEP Partnership Manager Tel 0784 3311837 [ian@btvlep.co.uk](mailto:ian@btvlep.co.uk)  
or

Ahmed Goga, Director of Strategy & Programmes Oxfordshire LEP  
Tel 07393 001076 [ahmed.goga@oxfordshirelep.com](mailto:ahmed.goga@oxfordshirelep.com)



## **Appendices:**

### **Appendix A pillar summaries**

#### **Pillar One: Skills**

Our comprehensive skills strategy brings together the obvious strengths within our region to address significant areas of opportunity. The programme will allow us to retain more of our talented individuals and place proper emphasis on Further and T Level education to meet the needs of our diverse commercial base.

#### **Purpose**

- Capture and Retain key skills in the region
- Using insight from data into the Skills Advisory Panels to improve access to skilled staff and better use of resources to train the current and future Arc workforce.  
(Increase GVA per employee)

#### **LEP role**

- Co-ordinate skills strategy to deliver improved and targeted skills brokerage
- SME Economy support for Key skills
- Focus on restructuring apprenticeships and T Levels delivery to improve access
- Develop and deliver Skills Capital Infrastructure Funding for FE estate funding
- Maximise the use of skills resources including the Apprenticeship Levy
- Teach Teachers to support skills required
- Support Digital Innovation and Development

#### **LEP resources required**

- Resources for the management and delivery of Skills brokerage within each LEP area
- Specialist support for apprenticeship and T Level activity

#### **LEP Ask**

- Pilot skills arrangements and focussed activity
- Freedom in access to elements of apprenticeship levy to support local initiatives and provision
- Support and funding for Skills Capital fund for FE estate development

#### **Metrics**

- % of first-time jobs in region from Arc Universities Group
- Level by which Arc Skills Hub Exceeding Gadsby engagement benchmarks
- HE/FE places taken by Arc Based school leavers
- % of the regional workforce working in Apprenticeships

#### **Workstream Connections**

- Arc Universities Group

## **Pillar Two: Inward Investment**

The Arc region represents the second largest inward investment opportunity in the UK, we will seize on this opportunity through effective use of resources to develop a set of compelling investable opportunities.

### **Purpose**

- Develop and deliver an Arc Inward Investment Delivery plan and co-ordinated FDI and Investment Prospectus
- Secure inward investment, support Arc propositions with LEP area offers and investment opportunities
- Secure 'Freeport' to act as focal point for investment and transformation

### **LEP role**

- Utilise close connection with business & investment community to deliver Internationalisation Delivery Plan
- Manage and influence the pipeline of investment opportunities within each LEP
- Co-design with DiT an Arc focus for the International Services Team resources
- Utilise University Alumni to identify opportunities
- Support Digital Innovation and Development

### **LEP resources needed to:**

- Fill in technical and experience gaps across Arc building on existing team capacity
- Facilitate conversations and deals
- Identify land and for supporting inward investment opportunities

### **LEP Ask**

- Staff and activity costs
- Promotion and sales support
- Influence over DiT International Services Team activity

### **Metrics**

- Total number of Foreign Direct Investments across the Arc – target 20% increase on period 2014-2019
- Total Value of Foreign Direct Investment
- Volume of Promotion & direct interaction with international posts in approved and targeted territories/sectors
- % of Arc Businesses Trading Internationally

### **Workstream Connections**

- Arc Universities Group
- Place

## **Pillar Three: High Growth Support**

The region recognizes the particular needs businesses with high growth potential. This programme will deliver highly targeted support to these businesses ensuring they have the best possible chance to achieve their potential.

### **Purpose**

- Identify and support high growth businesses across the region
- Retain high growth businesses and enable growth across the Arc of high growth businesses
- Identify Cross Over Translation points for rapid and sustained innovation – Potential for iconic location development
- Provide tailored and targeted coaching combined with small capital grants

### **LEP role**

- Identify high growth businesses that will deliver maximum impact
- Leverage Universities, Catapults and identified High Growth sectors
- Support Digital Innovation and Development
- Deliver (through partners) diagnosis of needs & then to develop a tailored mentor programme
- Provide targeted Capital Grants £10-250k

### **LEP resources needed to**

- Identify high value targets – Focus on 1,200 companies per year
- Support leadership and mentoring programmes
- Manage capital grants programme

### **LEP Ask**

- Staff and activity costs
- Funding for capital grants
- Match funding for diagnosis and mentoring programme

### **Metrics**

- Overall Scale-up growth of top 200 businesses based on turnover, profit and size of workforce
- Volume of Growth Business Support Intra-Network engagements
- % of leadership within growth businesses undertaking professional development activities

### **Workstream Connections**

- Arc Universities Group
- Place

## **Pillar Four: Commercial Premises**

The region sees clear market failure in the provision of appropriate commercial premises to deliver the type and style of development we need. The programme will provide support to deliver the right mix of appropriate commercial development across the Arc.

### **Purpose**

- Understand and address market failure and provide the right types of space to deliver the growth needed across the Arc – supporting targeted organisations
- Identify Cross Over Translation points for rapid and sustained innovation – Potential for iconic location development
- Form part of ARC 'spatial' plan

### **LEP role**

- Leverage Universities, Catapults and identified High Growth sectors
- Support Digital Innovation and Development
- Identifying space requirement to meet the needs of high growth sectors, Identifying locations, Customers/ Target companies
- Identifying & influence development investment, Support development, delivery and future use of commercial space

### **LEP resources needed to**

- Identification and prioritisation of opportunities
- Management of 'transaction flow'
- Investment fund creation and management to provide starter development – supporting developer of anchor tenant

### **LEP Ask**

- Support and funding for Investment fund
- Staff and activity costs - Resources for management of process within each LEP

### **Metrics**

- Number of bids received by October 2022
- Total funding allocated / % recycled/repaid and total floorspace of new premises

### **Workstream Connections**

- Arc Universities Group
- Place
- Connectivity
- Environment

## **Pillar Five: Scale Up Fund**

The region recognises that there is a gap in investment for companies that provide the vital skills and growth potential we need in our region and meet our long-term growth goals. The programme will form a fund to support these businesses across the region.

### **Purpose**

- Provide patient & scale-up capital and grant funding to support business and Skills investment across the region
- Providing core funding for High Growth Capital Grants

### **LEP role**

- Aligning with others – ARC initiatives, Government, University Catapult etc.
- Support PE and Angel activity
- Create, source and manage fund
- Deploy funds to meet objectives

### **LEP resources needed to**

- Commission Ex-Ante Analysis
- Raise fund
- Management of the fund (via third party)
- Management of 'transaction flow'

### **LEP Ask**

- Support and funding for Investment fund
- Staff and activity costs - Resources for management of process within each LEP

### **Metrics**

- Funding bids submitted/value
- Number of bids received by October 2022
- Total funding allocated / % recycled/repaid and total floorspace of new premises

### **Workstream Connections**

- Arc Universities Group
- Place

## Useful Information & Links

OXLEP [OXLEP](#)

Bucks LEP [Bucks LEP](#)

South East Midlands LEP [South East Midlands LEP](#)

Cambridge & Peterborough Combined Authority [C&PCA](#)

Economic Vision for the Oxford to Cambridge Arc [Economic Vision](#)

Arc Local Industrial Strategies [Arc Local Industrial Strategies](#)