

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD334

Title: Research into the changing spatial nature of business and employment in London

Executive Summary:

GLA Economics is undertaking a full renewal of the Economic Evidence Base, which will be used to help inform strategy development within the GLA Group. The Economic Evidence Base aims to provide a full overview of our understanding on London's economy. This Decision relates specifically to the procurement of external research on understanding how industries in London have changed over time and will cover areas such as how certain sectors have developed or declined within London and outside. This research will use datasets which are not freely publicly available and will require analysis from an organisation that can access suitable data.

Decision:

The Assistant Director of the Intelligence Unit approves expenditure of up to the value of £50,000 to procure external research into the changing spatial nature of business and employment in London.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

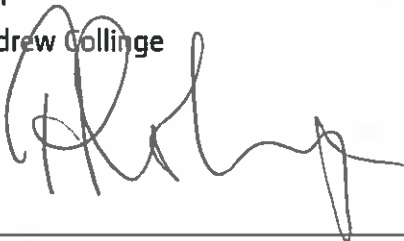
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Andrew Collinge

Position: Assistant Director

Signature:



Date:

3/8/15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 GLA Economics are in the process of renewing the Economic Evidence Base, which when last published in 2010, was used to provide an evidence base to support the Mayor's Economic Development Strategy, the London Plan, and the Transport Strategy. This new Evidence Base will again provide an overview of the forces impacting on London's economy, as well as providing a holistic overview of London's economy in the context of the Greater South East, the UK and the global economy. This will therefore continue to inform strategy development across the GLA Group into the future.
- 1.2 The Evidence Base is being updated to reflect the changes in London's, the UK's and the global economy over the past five years; developing our understanding of London's place in the global economy, and providing an outlook on London's strengths and weaknesses, as well as opportunities and threats which London's economy may face in the future.
- 1.3 Specifically, one chapter of the Evidence Base will look at the spatial context of London's economy; providing an overview of how London's economy has changed over time, the concentration of business activity, such as within the Central Activities Zone and the Isle of Dogs, the connections between different parts of London (inner/outer London and specific boroughs), how London connects with the Greater South East, and issues relating to capacity in London (primarily of the transport networks and housing). Within this chapter, there will be analysis of how economic activity in different sectors has changed over time, and it this which is the specific focus of research which GLA Economics is looking to commission.
- 1.4 Analysis in this area can be made through examination of business databases over time, data which are not freely publicly available, therefore GLA Economics is seeking to procure the services of a suitably qualified organisation to analyse such data. This will provide insight into how business activity in London, and the capital's linkages with the Greater South East and beyond have changed over time. A full list of research questions for the project are outlined with Section 2 of Appendix A which supports this Decision.
- 1.5 This Decision requests expenditure of up to £50,000 for the procurement of a suitably qualified organisation to undertake this research. This estimate has been based on the expected scale of work required, as well as tools used by GLA Economics when providing advice towards estimating evaluation costs; which incorporates estimation of the number of days of consultancy service required, as well as expected day rates drawn from organisations that are currently part of the GLA Economics, Research and Evaluation Framework (GLA 80405).
- 1.6 As per GLA Economics guidance towards the development of evaluation specifications, the total budget available for the research has not been posted within the Invitation to Tender, so as to protect the GLA's commercial position and to ensure maximum value for money, as publication of the budget may affect the pricing from the respondents to the Tender.

2. Objectives and expected outcomes

- 2.1 The research questions of this project are outlined within Section 2 of the Appendix A supporting this Decision. The specific objectives of this research are to enable the team to have a greater understanding of how businesses and industry sectors in London have developed over time, whether there is evidence of specialisation and concentration of particular industry groups in certain areas of London, and to understand the scale of linkages between London, the Greater South East, and the rest of the UK economy. This will enable the team, as well as policy and project staff to understand

the potential strengths, weaknesses, opportunities or threats in particular geographic areas, or for policy intervention in certain industries.

3. Equality comments

- 3.1 The GLA's equality duty guidance has been consulted as part of the preparation of this Decision, however there are not perceived to be any potential impacts, positive or negative on those with protected characteristics.

4. Other considerations

- 4.1 This research will feed directly into the development of the Economic Evidence Base, which will inform future strategy development within the GLA Group.
- 4.2 The main risk relating to this procurement would be that a suitably qualified organisation would not submit a tender for the research, which will limit the extent of the analysis which can be undertaken on the specific chapter within the Evidence Base on the spatial nature of London's economy. The risk will attempt to be mitigated through ensuring as many potential organisations with specific expertise in analysing business demography datasets, as well as organisations within the GLA Economics, Research and Evaluation Framework with specialism in this type of analysis being invited to tender for this research.

5. Financial comments

- 5.1 The estimated cost of this research project is £50,000 and will be funded from the 2015-16 GLA Economics Budget held within the Intelligence Unit. Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.
- 5.2 The Intelligence Unit within the Communities & Intelligence Directorate will be responsible for managing this research project and for ensuring that all expenditure complies with the Authority's Financial Regulations, Contracts & Funding Code and Expenses & Benefits Framework.

6. Planned delivery approach and next steps

- 6.1 The management of the procurement and the subsequent research project are to be carried out by Brian Smith within GLA Economics. TfL have been informed of the upcoming procurement, and it is proposed to be tendered as a Request for Quotes procurement exercise. Invited organisations will include those with specific expertise in this field.
- 6.2 It is not proposed to use the GLA Economics, Research and Evaluation Framework directly for this procurement. GLA Economics have undertaken an assessment of the most robust approaches which could be used for this research project which will likely require the use of business datasets which are not freely publicly available, and will have been purchased by specialist organisations who are not part of this Framework.
- 6.3 The following table outlines the key deliverables for this research (as outlined within Section 5 of the Invitation to Tender, within Appendix A):

Task	Target Completion
Invitation to Tender posted	7 th August 2015
Deadline for submissions	28 th August 2015
Review of received bids and invitation to clarification meeting (if necessary)	6 th September 2015
Appointment of successful supplier	13 th September 2015
Inception meeting with project steering group	Week commencing 16 th

	September 2015
First draft of report to be sent to the GLA	30 th October 2015
Review of draft and steering group meeting	13 th November 2015
Second draft of report sent to the GLA	27 th November 2015
Report completion and presentation to internal stakeholders	11 th December 2015

- 6.4 This research will be completed within the 2015/16 financial year, with budget allocated from the GLA Economics budget.
- 6.5 This research will feed into the development of the Economic Evidence Base, which is to be produced throughout the course of the 2015/16 financial year. It is currently planned that Evidence Base consultations will be completed in March 2016 with a first draft intended to be available for review in April 2016. The team will prepare for additional iterations to be developed over the following months with the publication of the Final Version of the Evidence Base is expected to be in Autumn 2016
- 6.6 The specific research work being procured though will only form a part of this evidence base, and will not be the whole piece.

Appendices and supporting papers:

Appendix 1: Invitation to Tender: "The changing spatial nature of business and employment in London" – DRAFT

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

Deferral is sought until after the procurement has been undertaken and the successful organisation appointed, as this ADD provides detail of the likely budget for this research, which could be used by bidding organisation as a guide to the amount the GLA is willing to pay for this research, therefore there is a risk of not achieving value for money.

It is GLA Economics' preferred approach for organisations to state how much they would charge for research without providing guidance as to the budget available.

Until what date: 1st November 2015

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer
to confirm the
following (✓)

Drafting officer:

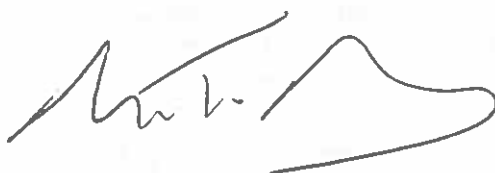
Brian Smith has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

03.08.15

Summary:

The Greater London Authority (GLA) requires an organisation to undertake quantitative research and produce a report on the changing spatial nature of business in London; looking at (but not limited to) a longitudinal analysis of employment and business moves within London, broken down by industry sector, including looking at moves to the rest of the Greater South East and the UK economy as well as moves to London from these areas. This research will directly aid the production of a renewed Economic Evidence Base for London by GLA Economics, which will inform future strategy development within the GLA Group. GLA Economics will require this analysis and report to be completed by December 2015.

1. Background:

GLA Economics are in the process of undertaking a renewal of the Economic Evidence Base (the most recent version is available to view on the GLA Economics publications page:

<https://www.london.gov.uk/priorities/business-economy/publications/economic-evidence-base>).

The Evidence Base aims to provide an understanding of the forces impacting on London’s economy, as well as providing an overarching assessment of our knowledge of London’s economy in the context of the Greater South East, the UK and global economies. The purpose of the Evidence Base is inform future strategy development; with the previous version being created in support of the Mayor’s Economic Development Strategy, the London Plan, and the Transport Strategy. It is five years since the publication of the Evidence Base so it is now being updated to reflect the changes in London’s, the UK’s and the global economy over the past five years; developing our understanding of London’s place in the global economy, and providing an outlook on the strengths, weaknesses, opportunities and threats which London’s economy may face in the future.

The political and strategic context which the Evidence Base reflected upon has also changed over the course of the last five years. For example, there have been alterations to the London Plan, and the development of the London Infrastructure Plan, which sets out the infrastructure London needs to put in place to enable economic development through to 2050. This Evidence Base will look to set out the background of London’s economy and support these (and future) strategy development within the GLA Group (which includes for organisations such as Transport for London, London & Partners, London Legacy Development Corporation, and other functional organisations such as the Old Oak & Park Royal Development Corporation).

One specific chapter of the Evidence Base will relate to the changing spatial nature of London’s economy, providing an overview of how London’s economy has changed over time, looking at the agglomeration in areas such as the Central Activities Zone and the Isle of Dogs, the connections between different parts of London (inner/outer London and specific boroughs), how London connects with the Greater South East, and issues relating to capacity in London (eg transport networks and housing). Within this chapter, there will be analysis of how economic activity in different sectors has changed over time, and this will be the specific focus for this Invitation to Tender.

2. Key Research Questions:

In developing our understanding of the changing nature of London’s economy, GLA Economics wishes to procure quantitative research into whether the nature of economic activity and specialisations carried out across the different parts of London have developed or changed over time (ideally the last decade – but preferably longer). Specifically, the key research questions are as follows:

- Has London witnessed changes in the types of activity that have taken place across different parts of the capital over time?
 - Have businesses in particular sectors agglomerated with firms in the same sector?

- Have businesses in a particular sector agglomerated with firms providing complementary activities (e.g. agglomeration of different types of business services)
- Have start-ups (by sector) congregated in certain areas (and are they 'new' start-ups or moves from other parts of London/GSE/the UK)?
- Have certain businesses (and/or sectors) seen 'moves' out of London, or parts of London, over time (and to where)? Similarly have certain businesses (and/or sectors) seen moves into London, or parts of London, over time (and from where)?
- Have businesses that have been in existence for a period of time grown in London, moved to different parts of London, or have migrated outside of London to the Greater South East or outside?
 - Therefore can conclusions be drawn as to the competitiveness and attractiveness of areas within London, and for London as a whole, for specific business sectors?
- Has London attracted business activity from other areas of the UK, have these been expansions or has London replaced other locations within the UK as the basis for economic activity in certain sectors?
 - Have particular sub-regions or boroughs in particular seen inward movement of pre-existing firms to these areas?

This Invitation to Tender therefore seeks a suitable organisation to undertake research to develop our understanding of how the spatial distribution of businesses, and therefore economic activity, has changed over time, using a quantitative approach with suitable datasets to understand the nature of activity at certain points in the past. Ideally the work will use a longitudinal approach to evidence the movements of businesses within London, and into and out of London's geographic boundary.

3. Requirements:

In light of the background sections and key research questions, as well as bidding organisations' expertise and opinion as to how to best undertake this research; when responding to the Invitation to Tender, bidders are asked to provide detail of how they will meet the requirements of GLA Economics in this study, in particular:

- Outlining the methodology, datasets to be used, and the analytical approaches to understanding the changing nature of business in London over time; clearly demonstrating how the methodology and approach will further our understanding of the subject
- Outlining how the information and analysis is to be presented to GLA Economics, for example, through graphics and provision of data
- Responding to the Invitation to Tender with consideration into the criteria for assessment of bids (as outlined within Section 7).
- Submissions should include a detailed work plan including key milestones in the project and time (in terms of number of days) to be spent on each element. It should also outline how the project's objectives and deliverables will be achieved and the quality assurance processes to be used throughout the project.
- Submissions should clearly assign and outline the roles and responsibilities within the project team. Sub-contracting for elements of the project will be considered, however the added value that this will bring to the overall project should be clearly demonstrated (during the contract, the lead provider will remain entirely responsible for the performance of the sub-contractor(s) and such sub-contractors must act in accordance with the terms and conditions of contract entered into between GLA and the bidding organisation).
- The submissions should outline all members of the project team, as well as providing evidence of previous experience and expertise relating to the subject area, and capability to undertake the project.
- Bidders are required to provide references from two organisations from previous projects.

4. Deliverables:

During the contract, the successful organisation will be responsible for the ensuring the delivery of the project as well as working to meet the requirements of the project board for this research. In particular, this will include:

- Attendance at project initiation meeting, likely to be during the week commencing 16th September with the project steering group (however this may be subject to change in consultation with the Project Manager).
- Catch-ups with the Project Manager through e-mail or telephone on a fortnightly basis during the contract.
- Attendance at project steering groups during the commission and at least two drafts of the report to be produced before the report is finalised. The number of steering group meetings will be agreed during the Project Inception meeting.
- At completion of the project, presentation of the findings of the research to be given to internal stakeholders within the GLA.
- Production of a final written report in December 2015, on a date to be agreed during the project.

5. Timescales for the Research:

The following table gives an outline of the timescales for this research, however bidders are invited to suggest amendments to intermediate milestones within their tenders, or recommend timescales based upon the approach they wish to use to address the needs of GLA Economics:

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6. Form of Tender:

Quotes should provide full details of the breakdown of work to be undertaken by each project team member, and the applicable day rate relating to them. The quotes should provide a clear outline of the timescales (number of days) for each stage of the research.

Bidders are required to provide a fixed cost for the production of the research, which shall remain fixed for the duration of the contract.

7. Evaluation Criteria:

All bids will be considered against technical criteria and value for money assessment. The breakdown of assessment for bids will be based on 75% of the available marks assigned to technical aspects, and 25% relating to the price quoted to undertake the research. The specific criteria are outlined in the following table:

Criteria	Weighting
Understanding of the GLA's requirements	10%
Quality and rigour of the methodological approach	30%
Previous experience to undertake this research	15%

Technical skills and ability to undertake this research	15%
Quality assurance processes and outlining project risks	5%
Price quoted for the research	25%

All bids will be assessed on a six-point scale across each criterion, outlined as follows:

Score	Description
0	Unacceptable or no response
1	Unsatisfactory, no significant evidence and fails to meet specified requirements.
2	Poor, only partially meets specified requirements
3	Satisfactory, criteria mostly met with few omissions.
4	Good, demonstrably meets specified requirements in full.
5	Excellent, demonstrably exceeds the specified criteria and provides added value to the specification.

8. Payment Terms:

Payment to the successful bidder will be made in three instalments; with one-third following the project inception meeting, one-third at production of the first draft, and one-third following sign-off from the project steering group of the final report.

9. Summary:

The deadline for submissions is Friday 28th August 2015

Please email your submissions to:
Brian.Smith@london.gov.uk

For any clarifications please contact:

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