



OXFORDSHIRE LOCAL INDUSTRIAL STRATEGY TRAILBLAZER

Invitation to Tender - Consultancy Brief

Purpose

To prepare a Local Industrial Strategy (LIS) for Oxfordshire, building on the refreshed Strategic Economic Plan for Oxfordshire, and providing a framework to maximise the economic potential of the region's world leading sectors, science and innovation clusters and business ecosystem. Oxfordshire is one of three national trailblazer areas and the LIS will take forward the ambitions set out in the Government's Industrial Strategy White Paper, launched in November 2017, and define the long term economic opportunities where Oxfordshire can provide international leadership and drive UK productivity and economic growth.

Strategic Economic Context

Oxfordshire is globally renowned as a centre of science and innovation and one of the top five innovation ecosystems in the world. It includes the University of Oxford, ranked in the Times Higher Education Global Rankings since 2016 as the world's best university, and Oxford Brookes University as one of best 'new universities' in the UK with 94% of research activity internationally recognised.

Oxfordshire is a major economy and is one of only three net contributors to the UK exchequer. Comprising key employment sites and globally significant companies, the Oxfordshire economy is home:

- to approximately 30,000 businesses providing over 417,000 jobs, defined by the concentration of knowledge intensive clusters and high tech firms;
- which includes more than 1500 businesses within knowledge intensive clusters and high tech firms, employing over 50,000 people alone; and
- generates, in total, approximately c£22bn Gross Value Added (GVA) to national output

Oxfordshire has world leading strengths in high-tech industries and comprises some of the most exciting and innovative technology based companies in the UK with global impact covering a range of sectors from creative industries, life sciences, computing, robotics and space technologies to nuclear, energy and high performance manufacturing. These strengths define Oxfordshire's high quality knowledge based economy which has been built on our internationally renowned grouping of Universities and research institutions. Harwell Campus is home to the largest space cluster in Europe, alongside significant health, energy and medical research hubs whilst Culham Science Centre represents one of the most concentrated sites of innovation and research in the country for Fusion and Robotics.

Public and private investment into the business and innovation ecosystem has continued in recent years through the City Deal¹ programme and Local Growth Fund². resulting in four new

¹ [Oxford and Oxfordshire City Deal](#)

² Growth Deal(s) - [Oxfordshire's Local Growth Fund 1, 2 and 3](#)

innovation centres (Bio-Escalator at the Old Road Campus, the Begbroke Accelerator, Remote Applications in Challenging Environments at Culham and the Harwell Innovation Hub), In addition to this, in the past six months the region has also received further government investment which will strengthen Oxfordshire's capability in world leading research and innovation in key sectors through:

- £100 million for the Rosalind Franklin research institute, to improve health through physical science innovation;
- £65 million for the Faraday Institution, charged with tackling the global energy and battery storage challenge;
- £99 million for a National Satellite Testing Facility at RAL in Harwell; and
- £86 million for a National Fusion Technology Platform at Culham.

The assets that sit across Oxfordshire, therefore, are of both national and global significance and are critical to the long term economic success of the UK.

Key Challenges

Despite its many strengths, Oxfordshire continues to face significant challenges which impact on our ability to maximise our economic potential – locally, nationally and on the global stage:

Global competitors

- Oxfordshire's critical sectors and innovative businesses compete on a global stage. The competition for talent, world class research, business innovation and investment is as much with world leading innovation ecosystems such as the Boston Metropolitan Area, San Francisco Bay Area, Zurich, Shanghai and new technology locations such as Technion (Haifa / Tel Aviv) Clean Tec Corridor (Austin, Texas) and Quantum Valley (Waterloo, Canada) as within the UK. There is an urgency in upscaling the investor proposition and connecting Oxfordshire – and thus the UK to clearly defined international markets with investor potential through more targeted and responsive trade and investment programmes in order to compete with these highly focused and differentiated locations and ecosystems.

Business Space

- The rate of growth across the county and the economic potential set out by the SIA has also highlighted pressure on identifying and providing the right type of business space and the right type of locations for new testing facilities, lab space and innovation hubs which can facilitate x-sector convergence and spillover activity. Land within key assets such as the Harwell Science and Innovation Campus and Culham Science Centre have been identified as critical to the growth of Oxfordshire's emerging high tech sectors. However, much needed development is held back as key sites continue to remain within the ownership of HMG agencies such as the UKAEA and await urgent land remediation. In addition to this, despite good progress in bringing forward new development through two Enterprise Zones in Science Vale, there continues to be a shortage of A Grade office space and high quality lab, testing and science facilities stalling much needed business investment.

Business Scale Up

- Whilst start up rates within the county are in line with the national average, Oxfordshire has not succeeded in translating starts into sustainable high growth businesses. The Scale Up Institute has identified Oxfordshire as a 'hotspot' for scale up potential and has already

identified 124 high growth businesses that, between them, generate in excess of £5bn GVA and support over 40,000 jobs.. However, developing the next generation and pipeline of scale ups is an immediate challenge with continued issues for business around their infrastructure (plant, testing facilities and machinery), leadership and management development and commercialising innovation and ideas

Workforce Supply

- Oxfordshire is close to virtual full employment, with an unemployment rate of <1%. Fewer than 1700 people are now registered on Jobseekers Allowance. Employment growth has been significant over recent years - we have already created in excess of 45000 new jobs against our 2031 target of 85,600. Employment growth has been largely sustained by EU migrants which has ensured a continued supply of labour into the economy. However, following the decision to leave the EU, businesses across all sectors are increasingly concerned that they will not be able to recruit staff to fill employment opportunities being created.
- An estimated 15000 people are currently registered on Employment Support Allowance. A flat-line trend over the past decade suggests that traditional approaches to maximising the opportunities for this cohort haven't always delivered the reductions in claimants expected. As migration controls are introduced following BREXIT this group will be an increasingly important cohort to support into employment, particularly in the so-called 'Foundational Economy' of essential sectors such as hospitality, care, retail and catering which are critical to supporting local economies function as part of the wider 'place' and where we have significant existing labour shortages already.

Skills Development

The SEP, Skills Strategy and a number of recent employer surveys have cited that businesses continue to struggle to recruit people with the correct skills to meet job requirements. The Oxfordshire Skills Board has identified a pressing need for greater alignment between skills provision within the county and the needs of local employers. The numbers of resident apprenticeship starts at level 4 and above has increased significantly from 170 in 2014/15 to 230 in the first three quarters of 2016/17. Although this is encouraging the significant proportion of these has consistently been in 2 sectors; Business, Administration & Law and Health, Public Services & Care with over 74% of the total apprentices each year. Whilst these are significant sectors in their own right we need to drive more investment into higher level skills development that support our current knowledge rich business base and the emerging skills required to maximise the opportunities emerging from our SIA

- Skills shortages are increasingly pronounced across a number of sectors but are of particular concern in Oxfordshire's critical emerging high tech sectors where there is significant growth potential. As digital technologies are the main driver behind the SIA opportunities there is a need to further develop Apprenticeship standards and the new T-Levels to reflect these new emerging sectors within Oxfordshire. Curriculum pathways are required so that students can enter the areas identified in the technology areas with the relevant skills and knowledge, especially as they move onto level 4 and above.
- Around 400 local employers are in scope of the Apprenticeship Levy with many unsure of how they can maximise their skills investment to meet current and projected business need.

- The Oxfordshire Skills Board has highlighted the need to develop a clear and coherent pathway for vocational skills development, aligned to the sector needs of the economy, to support young people through their learner journey

Social Mobility

- Whilst Oxfordshire is perceived as a successful and affluent economy, this masks significant levels of deprivation and social exclusion which is often entrenched and inter-generational. Two areas in Oxfordshire are among the 10% most deprived nationally (up from one in 2010) with a further 13 areas among the 10-20% most deprived nationally. Together the 15 lower layer super output area (LSOA) in Oxfordshire that are among the 20% most deprived nationally include:
 - in Oxford City, parts of Rose Hill and Iffley, Northfield Brook, Barton and Sandhills, and Blackbird Leys wards
 - in Banbury, parts of Grimsbury and Castle, and Ruscote wards
 - Abingdon, part of Abingdon Caldecott ward
 - additionally, 25 LSOAs in Oxfordshire are among the 10% most deprived where education and skills are concerned.
- A key challenge remains connecting young people in these communities to the new opportunities being created by world class businesses, research institutions and innovation hubs across the county. 7,935 pupils were eligible for 'pupil premium' in January 2017; 1,860 of which were in the wards listed above. A number of surveys including recent research by the Education & Employers Charity has demonstrated the transformational impact on social mobility that role models, exposure and access to business networks and connections provides. However, recent discussions with the Careers & Enterprise Company has detailed the continuing challenge in accessing this cohort and providing the enhanced support, mentoring and career coaching needed to maximise the opportunity for these young people.

The Oxford – Cambridge Growth Corridor

The National Infrastructure Commission (NIC) has highlighted the unique economic opportunities of connecting Oxford and Cambridge to support accelerated growth across this potential corridor. Outside of London, no other area in the country hosts the powerful combination of world leading universities and research institutes, globally competitive business clusters and highly skilled workers. The NIC has stated that for the UK to succeed in the global economy, it needs to continue investing in the region in order to sustain its competitiveness and drive the UK's knowledge economy

The National Infrastructure Commission (NIC) published its report on the potential of the Oxford – Cambridge Growth Corridor, highlighting that:

“The corridor connecting Cambridge, Milton Keynes and Oxford could be the U.K.s Silicon Valley – a world renowned centre for science, technology and innovation. But its future success is not guaranteed... The corridor faces a chronic undersupply of homes made worse by poor east-west transport connectivity. Two of the least affordable cities in the UK lie within the corridor, and the area as a whole has consistently failed to build the number of homes it needs. That shortage puts sustained growth at risk. It is already increasing costs for businesses and diminishing their ability to attract employees at all levels”

Analysis prepared for the NIC suggested that trend-based growth, reflecting established patterns of spatial development, could see the number of jobs across the Corridor increase by

335,000 to 2050, increasing economic output by some £85bn. It also suggests that more transformational growth is possible. In a scenario where the Corridor's housing needs are better met and in which east-west links succeed in bringing distinct sub regional economies closer together – the area could support a further 700,000 jobs by 2050, increasing GVA by £163bn (Cambridge Econometrics).

The Oxfordshire Housing & Growth Deal

The Government and Oxfordshire (comprising OxLEP and the six local authorities) have been negotiating a Housing & Growth Deal. An outline agreement worth, initially, over £200m was announced in the November Budget and described by the Chancellor as a 'down payment', with the objective of making the wider Oxford-Cambridge corridor a reality.

The deal will be signed off in March with the agreement of a Delivery Plan encompassing increased housing delivery, unlocking critical infrastructure and driving UK productivity.

Headline Delivery Commitments

- Plan for and support the delivery of 100,000 new homes between 2011 - 2031
- The submission and adoption, subject to the examination process, of a Joint Statutory Spatial Plan (JSSP) covering all five districts, by 2021, and submission of the current suite of Oxfordshire Local Plans
- Developing with Government an ambitious Local Industrial Strategy, as one of three national trailblazer areas, with a long- term vision for growth and productivity, for adoption by March 2019

The Industrial Strategy White Paper

Published in November 2017, the Government's Industrial Strategy White Paper is potentially the most important policy development in a generation. Following the decision to leave the EU and the imminent arrival of BREXIT, the strategy is seen as pivotal to shaping the future direction of the UK economy, improving productivity across the country and accelerating growth.

The White Paper sets out the five foundations which are central to driving productivity:

- **Ideas** – *the world's most innovative economy*
- **People** – *good jobs and greater earning power for all*
- **Infrastructure** – *a major upgrade to the UK's infrastructure*
- **Business Environment** – *the best place to start and grow a business*
- **Places** – *prosperous communities across the UK*

Alongside these foundations, the Government identifies four grand challenges which the UK must address and harness to put the country at the forefront of the industries of the future:

- Artificial intelligence & the data economy
- Future of mobility
- Clean growth
- Ageing society

A key objective of the Strategy, is to deepen the world leading expertise which the UK possesses and develop interventions, models and collaboration between public and private sector parties which can extend these competitive advantages into other areas and markets.

The White Paper also sets an important direction of travel in terms of ‘place’ with an increasing emphasis on established footprints and geographies of scale to drive the policy agenda, as well as connected clusters of business activity across regions in internationally competitive markets.

Government has set out that LEPs will lead the development of Local Industrial Strategies (LIS) – the strategies will guide future local and national investment and funding, including the new UK Shared Prosperity Fund, which will replace EU structural funds in 2019. The first set of LIS’ will be in place by March 2019.

The Commission

OxLEP is looking to appoint suitably qualified consultants who can work with the senior Executive Team to develop a Local Industrial Strategy, which will provide a long-term, ambitious vision for growth (based on robust evidence) to raise productivity and earning power and increased co-operation between national government, the private sector, local leadership and key institutions in Oxfordshire.

The LIS will build on the Oxfordshire Strategic Economic Plan (SEP) and provide a framework to guide Government, public and private sector investment decisions including the UK Shared Prosperity Fund, Sector Deals, Industrial Strategy Challenge Funding and other funds and financing tools to be used to deliver the strategy. We anticipate this will include better and more efficient use of existing resources, utilisation of tax and equity measures and improved connections into key private investment funds alongside conventional public and government levered funds.

It will be essential to build on and understand related strategies and documents including:

- Oxfordshire Science & Innovation Audit
- Oxfordshire Infrastructure Strategy
- the emerging Oxfordshire Energy Strategy (to be shared with successful supplier)
- National Infrastructure Commission Study into the Oxford – Cambridge corridor and Government response

We would expect consultants to look closely at these documents and the supporting evidence base in order to frame the vision and the supporting case within the LIS. In addition to this, key strategies for skills and innovation which underpin and have been produced in support of the original SEPs will also need to be reviewed and considered. We would also expect suppliers to demonstrate a deep understanding of the objectives of the Industrial Strategy White Paper, emerging sector deals and international investment markets

Key Principles

The LIS is a key part of the Oxfordshire Housing & Growth Deal. It is also seen as a critical process in bringing forward the ambitions the Government’s ambitions for the UK economy, as detailed in the White Paper. As such we are seeking to develop a new, ambitious approach to economic planning and investment which tackles the challenges of technological change and harnesses the opportunities which it creates.

A high-level vision for the LIS has been developed which states that:

*“Our ambition for the Local Industrial Strategy is **to position Oxfordshire as one of the top three global innovation ecosystems**, building on the region’s world leading science and technology clusters to be **a pioneer for the UK for emerging transformative technologies and sectors**, as part of the wider Oxford-Milton Keynes-Cambridge corridor.”*

We have identified a series of principles which the LIS will need to incorporate and respond to in its proposals and approach:

- clearly articulating the global potential of Oxfordshire, and setting out its investment requirements in order to truly challenge its international competitor regions
- accessing and attracting investment to sustain and develop its leadership in critical emerging sectors which will have both UK and international impact for trade and investment growth, as we leave the EU
- investing in emerging critical sectors which provides for technology and digital convergence (and, therefore, greater synergies and spillover opportunities) which can best deliver early mover adoption to the UK
- strengthening the innovation ecosystem of Oxfordshire to accelerate commercialisation and technology transfer of world class research into industry and deepen industry / academic collaboration in support of genuinely scaling up high growth companies
- building pathways and mechanisms for young people to nurture and retain talent and develop the skills needed to capture opportunities in the emerging growth sectors of Oxfordshire, and facilitating social mobility for those at risk of social exclusion
- creating ‘places’ which can support the translation of ideas, knowledge and innovation into transforming how local communities, urban centres and business locations function and interact through the concept of ‘Living Labs’
- shaping the LIS in the context of the wider Oxford – Cambridge Corridor
- building solutions which can drive growth, productivity and wealth in the UK in a post-BREXIT economic environment
- ensuring that the continued success of Oxfordshire demonstrably benefits all areas of the country

Approach

Developing the LIS will be iterative process involving both national and regional partners and strong engagement with Government Departments. There is a strong commitment from HMG to work collaboratively with Oxfordshire and providing support and facilitation in building the LIS. Close working between the consultancy team and the commissioning group and its partners, therefore, will be critical and tenders should set out in its methodology how this will be managed.

The breadth of partners with whom the process will need to engage will be wide and varied ranging from local bodies such as local authorities and Universities to employers and business bodies to national agencies including Catapults and Innovate UK. Tenders will need to demonstrate how the consultancy team would approach this task and set out innovative ways,

including in the use of technology and communication platforms, by which we can capture input and generate value to the LIS and its ambitions, ensuring that the final outputs are shared and owned across local, regional and national stakeholders.

Key Stages

Set out below are the headline milestones which suppliers will need to consider as part of their proposals. In addition, key stages and outputs of the commission to meet these milestones are listed; these are indicative at this stage and we will work with the successful supplier to develop a more detailed workplan as part of the Inception Meeting.

Headline Milestones

- 19th March – publication of consultancy brief
- 27th March – supplier briefing event
- **16th April. 4pm – deadline for submission of tenders to OxLEP Ltd**
- 23rd April – interviews and appointment of consultants
- 25th April – inception meeting
- 12th / 21st June – Stage One presentations to OxLEP Board / Oxfordshire Growth Board
- 25th September – Stage Two presentation to OxLEP Board / Oxfordshire Growth Board
- w/c 10th December – Stage Three (draft final LIS) presentation to OxLEP Board / Oxfordshire Growth Board
- w/c 10th March 2019 – formal approval of LIS by OxLEP Board and Oxfordshire Growth Board

Stage 1

Evidence Base and analysis

- detailed inception meeting with commissioning group to frame deliverables for each stage of LIS development
- analysis of evidence and supporting material, strategies and documentation
- alignment with Industrial Strategy Foundations of Productivity and Grand Challenges
- presentation of findings to OxLEP Board and Oxfordshire Growth Board

Stage 2

Interim Report - Vision:

- Identification of key strengths, clusters of excellence and opportunity areas
- Statement identifying the potential for ambitious economically led growth
- Formulation of ambitious, high level vision for Oxfordshire and its relationship to the wider corridor, which provides the framework and direction for engagement further detailed work with Government
- Two stakeholder workshops to test the emerging strategy and propositions
- presentation to OxLEP Board and Oxfordshire Growth Board

Stage 3

Final Report and Delivery Plan:

- Final report and strategy which relates to the key principles detailed in the brief and the ambitions of the White Paper
- A high-level Delivery Plan identifying projects, lead delivery partners, timetable and budgets required to support further negotiation with government
- Presentation of final LIS to OxLEP Board and Oxfordshire Growth Board

Core Outputs

- A freestanding report comprising the evidence base and data analysis which supports the LIS, which can be interrogated and used for dialogue with Government
- interim report setting out key findings from the evidence exercise and the preferred options for the LIS, its focus and objectives
- final report setting out the vision, strategy potential of the corridor which sets out opportunity for investment in thematic and sectoral areas of strength for Oxfordshire
- powerpoint and pdf slidepack summarising data analysis, evidence base, vision and the strategic case for the LIS for use and briefings across stakeholders and Government
- high level delivery plan setting out investment opportunities and funding options in the ecosystem, sectors and clusters
- final report to be produced in Word and PDF format including the provision of 100 copies in hard copy, high resolution print format for partner briefings
- digital material, infographics and collateral which can be used on social media, online and digital platforms

Submission Deadline and Selection Process

All submitted proposals will be scored against a set of pre-determined criteria, set out below:

Criteria	Percentage of Overall Score (%)
Methodology and Approach	30% (0/30)
Creativity and Innovation	20% (0/20)
Consultancy Team, Skills and Competencies	20% (0/20)
Co-investment Proposal	20% (0/20)
Overall Price	10% (0/10)
	Total Score (Out of 100)

A supplier briefing event will be held on Tuesday 27th March at Oxford Town Hall. Suppliers interested in attending should register via Eventbrite on the OxLEP website at www.oxfordshirelep.com/events

Please note that the briefing will be restricted to one attendee per supplier.

Please send all tender submissions to: **info@oxfordshirelep.com** by **4pm on Monday 16th April** – please note, late submissions will not be considered.

Please state **‘Oxfordshire Local Industrial Strategy Consultancy Proposal’** in your email correspondence.

Shortlisted suppliers will be notified by Thursday 19th April, and be invited to a panel interview at the OxLEP offices in Oxford on Monday 23rd April.

All tenders should clearly state the key point of contact for the supplier and their contact details.

Additional Information

Freedom of Information

All information provided by you in your response to this ITT will remain confidential and will not be disclosed to any other party except where required for official audit purposes or to the extent that OxLEP Ltd considers that disclosure is required pursuant to the Freedom of

Information Act 2000 or any other applicable legislation, legal requirement or code of practice.

Confidentiality

By receiving this ITT you agree to keep confidential the information contained in the ITT or made available in connection with further enquiries and questions. Such information may be made available to your employees and professional advisers for the purpose only of responding to this ITT.

Material Changes

At any time before the award of the contract, OxLEP Ltd reserves the right to disqualify any organisation whose circumstances change to the extent that it ceases to meet the selection criteria or makes a material change in respect of its proposal unless substantial justification can be provided to the satisfaction of OxLEP Ltd. Where a Bidder becomes aware after having submitted a Bid of a change in circumstances or information supplied, it should notify OxLEP of this as soon as possible.

Budget

The LIS is a critical document which will shape Oxfordshire's future economic priorities and form the basis for our relationship with Government and investors. As one of three LIS national trailblazer pilots, it also offers the unique opportunity to shape and bring to life the ambitions of the Industrial Strategy White Paper and provide the learning for other localities, as they develop their local plans.

As such we believe there will be considerable future commercial opportunities for the successful consultancy team which will derive from the joint working with OxLEP, its partners and stakeholders and engagement with Government departments and the wider Oxford – Cambridge corridor.

We would welcome and encourage proposals to set out creative approaches to pricing for this commission including options for co-funding, thought leadership generation and sponsorship of key aspects of this commission such as international benchmarking and knowledge share.

We anticipate a total maximum budget of £120,000, inclusive of VAT.

OxLEP will invest up to £100,000 towards this commission; tenders should set out how suppliers will enhance this figure and how further value will be invested by the consultancy team into their overall pricing proposal.

The commissioning party will be OxLEP Ltd and contractual arrangements will be based on the standard terms adopted by the Company. This will be agreed with the successful applicant following the selection process.

Client Contact Details

A steering group comprising representatives from OxLEP and key stakeholders will oversee the commission. Further detail will be shared at the Inception Meeting.

The primary point of contact for the commission will be Ahmed Goga, OxLEP Director of Strategy & Programmes and can be contacted via ahmed.goga@oxfordshirelep.com