

Invitation to Tender

To North Yorkshire County Council

Integrated economic and business case analysis of the York, North Yorkshire and East Riding area

Date: to add

Contract reference: to add if required

Tender Specification

1. Summary

We would like to commission an integrated economic and business case analysis of the York, North Yorkshire and East Riding area. This is to be based on identifying, valuing and presenting the connections across the area's economy, labour markets, property markets and transportation links and the benefits that arise. The study should also make clear how these benefits may vary depending upon whether the YNYER area becomes a Combined Authority, and whether the City of York is included within it.

The study must be completed by the end of May 2015 [change as appropriate] and the estimated budget for the project is £30,000 - £40,000, including expenses.

We welcome proposals that respond to this brief, to be submitted in line with the process described by [add deadline date for tenders]. Tenders should be no more than a maximum of 15 sides of A4. Additional annexes may be used to provide team and consultancy CVs and track record information but not for other purposes.

2. Background and Context

The York, North Yorkshire and East Riding Local Enterprise Partnership (LEP) was established in February 2011 to promote economic development across the York, North Yorkshire and East Riding (YNYER) area following the abolition of Regional Development Agencies. The LEP has functioned effectively with the support of public and private partners and it reached a successful growth deal settlement with Government in 2014 following the submission of its strategic economic plan.

The YNYER area is complicated because it includes a number of local authority areas that fall within two LEP areas. The East Riding of Yorkshire is also within the Humber LEP area, whilst York, Harrogate, Selby and Craven are all part of Leeds City Region as well as the YNYER area. YNYER also includes a mixture of local authority structures. York and the East Riding of Yorkshire are both unitary authorities, while in North Yorkshire, the North Yorkshire County Council (NYCC) area encompasses seven different district council areas – Craven, Hambleton, Harrogate, Scarborough, Selby, Richmondshire and Ryedale.

Whilst arrangements have largely worked to date locally, questions are arising nationally about overlapping geographies. These are in part raised by the emergence of Combined Authority structures which bring local authorities together to deliver economic development, transport and potentially wider functions. As local authorities are only permitted to be full constituent members of one Combined

Authority, it means that existing arrangements with local authorities being in two LEP areas cannot be replicated in any future Combined Authority structures. Areas such as the City of York (which is currently a non-constituent member of the West Yorkshire Combined Authority) would need to decide whether to be part of the Leeds City Region (if/when legislation allows that) or part of a YNYER Combined Authority (should one be created).

Whilst there are as yet no firm proposals for a YNYER Combined Authority, these could feasibly be developed in the future, especially in light of early discussions locally and the increased interest and activity in working up Combined Authority proposals in other parts of England.

The YNYER local authorities and LEP have previously commissioned work (from Les Newby Associates) to interview stakeholders and carry out an initial analysis of the potential and support for a YNYER Combined Authority¹. One of the conclusions of that work is that more evidence is needed about how the area operates as a functional economic area, and the business case and benefits that working together as a geographic entity bring.

3. Overall Purpose and Aims

The purpose of the study is to meet the need for further, more detailed and compelling evidence and analysis about the YNYER area in order to inform future decision making about any potential YNYER Combined Authority and membership of it. We need to have better information and understanding about both the business case for the area in totality and the two way benefits of specific connections within it - in particular those between the City of York and the North Yorkshire County area.

Ultimately we are seeking robust, compelling and clearly communicated findings that will inform long term strategic decision making by local authorities within the YNYER area, including the City of York. The aims of the study are hence to complete quantitative and qualitative analysis (including key stakeholder engagement) that serve this purpose and make clear the benefits of continuing to work together as YNYER, and potentially as a Combined Authority on that geography.

¹ York, North Yorkshire and East Riding Combined Authority Analysis, Les Newby Associates, January 2015

4. Key Tasks and Methodology

The specific tasks required to be completed are:

- a) Assess and describe the degree of economic functionality and connectivity within the YNYER area - including travel to work/labour market patterns, economic connectivity, and housing and property markets.**

This task should include analysis of:

i) The economy

- Economic overview of the area and its localities, including how it stands up as a strong and significant economy based on headline statistics on employment, skills, growth, innovation, investment, business density, etc. (NB: this task should build on existing data sources and is not expected to be a major area of focus)
- Business sector distribution, clusters, networks and connection across the YNYER area
- Trading and supply chain relationships
- Major business centres and sites – current and future locations (based upon existing patterns and known major investments) and connections between them

ii) Labour markets, employment and travel to work

- Employment rate, economic inactivity and employment density (NB: data on the latter is available from NYCC)
- Travel to work and commuting patterns (NB: maps and data on flows are available from NYCC, the 2011 Census and the 2015 Les Newby Associates Combined Authority report, so this is not envisaged as a major task)

iii) Housing, Property and Commercial Service Markets

- Mapping of housing markets (NB: strategic housing market assessments and other related documents are available from NYCC)
- Commercial property markets
- Consumer service markets/shopping patterns

All of the above economic, labour market and property market information should include analysis across YNYER as a whole, as well as a particular focus on the

connections between the City of York and the wider area of North Yorkshire and East Riding that surrounds it.

b) Asses the economic importance and value of the connectivity that has been identified within YNYER – quantifying this value where possible

This should include:

- Assessing the scale of benefits that arise from the economic, labour market/transport and property market connections within the YNYER area
- Valuing these benefits to the YNYER area and localities within it, quantitatively where possible and qualitatively where not

As with other analysis, the values and benefits described should include those for the area as a whole and key localities within it, specifically for the City of York, and also to other areas where strong local benefits are identified.

c) Explore and analyse how far the values and benefits described may change if either:

- i) the YNYER area were to become a Combined Authority and gain greater ability to plan strategically and pool budgets to fund priorities; and**
- ii) if York were *not* to be part of any YNYER Combined Authority alongside North Yorkshire and East Riding, and hence became more disconnected from those areas**

This should include:

- Assessing the likely advantages that may accrue in the YNYER area became a Combined Authority, for instance based on an improved ability to plan and align transport, economic and housing investment together.
- Interviewing senior figures in local authorities in NYCC and in overlapping LEP areas – specifically including York and Harrogate - to confirm their priority transport and economic projects, and summarising the key details of these schemes such as costs and benefits. (NB: these interviews should be few in number and build on and not duplicate interviews with chief executives conducted in previous research. Information on the priority schemes identified should be available from local authority sources and not require separate estimation). Interviews should also explore the disadvantages and difficulties that would arise if the City of York were not in a Combined Authority with North Yorkshire and East Riding.

- Taking into account likely costs, income streams and priorities across the area, establish the deliverability of the identified priorities and the benefits that would stem from them, broadly quantified where possible.
 - Assess the disadvantages, problems and costs of any separation of York from North Yorkshire and East Riding, including through assessment of the practical difficulties that may arise (e.g. in transport planning) and taking into account the points raised across interviews.
- d) Set out a clear business case for the YNYER area remaining together as a whole entity, based on the analysis completed (in points a, b and c).**

This should:

- Summarise the evidence and business case benefits to YNYER, to the City of York, and to constituent local areas where significant and distinctive advantages are identified
- Make clear the extent to which benefits would depend on YNYER becoming a Combined Authority

In addressing these tasks (a-d) you should specify a clear methodology for the project overall and how you will deliver each element of the work. That should include key approaches, data sets to be analysed, and the phasing of the project. We are open to proposals that add to or refine the tasks set out based on your ideas and insights in order to better deliver the overall purpose of the work.

If any elements of your approach are dependent upon specific resources or assistance being available, that should be made clear in the proposal.

Note on Available Information and Analysis

We expect consultants to make best use of existing sources of information in order to avoid duplication of previous work and to help keep costs down. In this regard we anticipate that proposals will make good use of:

- Previous 2015 Combined Authority analysis of the YNYER area, including findings from senior stakeholder interviews and travel to work analysis. We have arranged for Les Newby Associates (who completed this work) to be able to talk through those findings with the successful consultant and to answer questions in relation to them at no cost to the consultant [delete if not appropriate]
- economic and transport data contained within the YNYER LEP Strategic Economic Plan, in Strategic Housing Market Assessments, and by the County

Council which can be made available – the latter includes [add relevant data sources held within or easily accessible by the county]

- regional/local economic modelling tools that are already available, such as the Yorkshire and Humber Regional Econometric Model which the YNYER LEP has a license for and is managed in the region by the Regional Economic Intelligence Unit (reiu). The costs of any additional analysis that is required based on application of the model (e.g. on business sectors, their growth and local distribution) should be factored into your costings [delete if not appropriate]

5. Outputs

The required outputs from the study are:

- An **interim progress report** on early findings and analysis, together with briefing on how this will be worked up into a final report
- A good quality **draft final report** to be used as the basis for gaining client feedback and subsequent work to refine and finalise the report
- A clear and compelling **final report** detailing the main findings on the business case and benefits of the YNYER area, and how those might vary depending upon Combined Authority status and the presence of the City of York (or otherwise). The report should also include details of the analysis, the methodology used, stakeholder priorities, data sources and references. The report should be written in a clear, succinct style and make good use of graphics and maps to enhance its impact and accessibility. It should include a short executive summary (approx. 2-4 sides A4) that is capable of being communicated on its own separately from the main report, and aimed at a non-technical audience.
- **Supporting documents** or annexes including more detailed data, interview notes, etc. as appropriate
- **Presentation of results** to a senior partnership/steering group [to be specified]

6. Timetable

We require the final study report and all written outputs to be submitted by the end of May 2015 [amend date as/if appropriate].

Other key milestones are:

- Inception meeting to be held in early-mid March 2015 [amend and specify date as appropriate].
- Mid-point client engagement and progress review meeting to discuss early findings and analysis ahead of full write up – mid April 2015 [amend date as/if appropriate].
- Submission of a draft final report for comment and subsequent revision – by 15 May 2015 [amend date as/if appropriate]
- Presentation of the results to the steering group/senior partnership [amend group as appropriate] in early-mid June [amend date as/if appropriate].

Please confirm in your tender submission that you will be able to deliver on this timetable (or why not and what your proposed solution would be if this is not possible). In addition, you should specify details of further key milestones or phasing of work as appropriate for your proposal.

7. Budget and Costs

We are looking for tenders to combine robust, good quality analysis and reporting and good value for money – including through making best use of available information, previous work and capacities within the YNYER area (see section 4).

As a guide, we envisage that the total costs of the work including all expenses (but excluding VAT) will be up to around £30,000-£40,000. Price will be a factor in evaluating tenders and submissions that demonstrate ways in which they have reduced costs while still delivering the required high quality outputs will benefit from doing so.

Tenders should include details of the day rates for all of the consultants who will be assigned to the brief, of any information/data costs, and of the expenses that will be charged and how these have been calculated.

8. Project Management and Client Liaison

Tenders should include details of how the project will be managed and your proposed arrangements for liaising with and updating the client. You should also make clear that you have the capacity to deliver the work, and set out briefly how you will be able to deal with any contingencies that may arise.

You should make clear if there are any conflicts of interest or ethical issues that may arise in completing the work and how they will be dealt with if so.

9. Skills, Experience and Other Information Requirements

Within your tender you should include details of

- Your understanding of the brief and overall approach
- A clear schedule of work including tasks, milestones and timetable and outputs
- The team who will be assigned to the work, with the experience of key consultants summarised within the body of your submission and CV/track record statements for each team member in an annex (no more than 2 sides of A4 per team member).
- A breakdown of key tasks and responsibilities – including how team member time will be allocated against each task
- A breakdown of project costs (as detailed under budget)
- Any other detailed points specified elsewhere in this brief, such as around detailed methodology, project management, and client liaison

10. Evaluation Criteria

The tender will be evaluated on the basis of:

- Quality and track record of the consultancy and named consultants, including evidence of previous similar work and capacity to complete this brief
- Price and value
- Clear, robust and convincing methodology
- Ability to deliver outputs on time
- Knowledge of and insights into the YNYER area
- Overall quality of the proposal

[potentially specify any weighting between these criteria if appropriate – I can suggest if that is helpful]

11. Tender Submission Process

[to be specified according to standard NYCC process once detail of the process and timetable is agreed]

12. Contact Details

The main contact for this work at NYCC is: [add name and contact details]

Please contact [add who] in the event of any queries about this specification or the process for submitting a tender.