



Leicester and Leicestershire Enterprise Partnership

Leicester & Leicestershire PEER Network support

19 October 2020 to 31 March 2021

Detail Information Document

Introducing the Programme (the scope of tender)

Overview

Peer Networks is a national initiative that will be delivered locally through the Local Enterprise Partnership (LEP) network and their respective Growth Hubs. The programme's longer-term aims are focused on reducing the UK productivity gap by helping business leaders find practical solutions to strategic and operational challenges. It also forms part of the UK Government response to the COVID-19 pandemic and the ongoing EU transition, seeking to improve the resilience of SMEs, their capability to adapt their business models to the "new normal" and position themselves for future success, driving longer-term productivity gains.

The programme will see the creation of a series of peer networks (cohorts) through the Growth Hub network, with each group consisting of 8-11 owners or managers from the SME business community participating in each network. Led by an experienced facilitator, these peer networks will typically meet fortnightly as part of delivering 18 hours of action learning through 2-3-hour sessions. Individual one-to-one support (coaching, mentoring, or advice) will also be provided either directly by the programme, or from other existing schemes to help to implement and manage change. Active involvement in the peer network will enhance the leadership capabilities, knowledge and confidence of business owners and entrepreneurs within a local region. It will help build regional connectivity and strength within the SME business community.

The Peer Networks Programme is funded by the Department for Business, Energy & Industrial Strategy (BEIS) in response to a commitment made in the 2019 Business Productivity Review.

In addition to the above, as part of the tender the local accountable body for the Peer Networks programme will need to be named. This is most likely to be the LEP but may be other organisations for example Combined Authorities.

Context and Need

The UK has a longstanding productivity challenge; even before the financial crisis labour productivity was on average 13% higher in the rest of the G7 countries compared to the UK.¹ This 'Productivity Gap' has since been exacerbated by the UK's unusually weak productivity growth since the financial crisis in 2007-2008. The UK's overall future productivity growth will, in large part, be determined by the performance of individual businesses. Whilst the UK has some of the most productive businesses in the world, we also have many low productivity businesses. The current effects of the COVID-19 pandemic combined with the transition into a new trading environment with the EU has the potential to further disrupt UK productivity but also presents an opportunity as businesses adapt their business models, create new ways of working and access new markets.

The 2019 Business Productivity Review found that those businesses that adopt formal management practices are more likely to achieve higher turnover, employment levels and productivity growth. There is a broad base of evidence that suggests that businesses that seek external advice or undertake formal training are more likely to improve their overall business performance.

¹ ONS International Comparisons of Productivity, Final Estimates 2016; pre-crisis taken to be '2007' Note: recent OECD analysis suggests the productivity gap with the UK and other G7 members may be moderately overstated, but still large relative to France, Germany and the USA.

Whilst there is a large private sector market for advice and training, SMEs report issues with a lack of awareness of the help available and a lack of trust in the quality of provision. Affordability is also a challenge. The Business Productivity Review reported that businesses are most likely to look to trusted peers and professional networks for advice first, often leveraging their networks and existing relationships with intermediaries to signpost and help them to navigate the business support market. The Business Productivity Review found that numerous respondents echoed the complexity, fragmentation and size of the UK business support market and pointed out this complexity is found in both the public and private sector business support provision.

Evidence supplied to the review by the OECD² supports this previous finding that businesses often prefer to take advice from trusted sources, and they look to their existing networks – such as their peers or their accountants – when taking advice. Businesses also usually take advice at trigger points, such as when faced with challenges requiring change, including both competitive pressures and opportunities.

In addition, there is robust evidence that demonstrates the importance of business managers learning from peers, particularly in their local area. Peer networks are integral for trusted advice. They help businesses navigate multiple stages in the business change cycle, can be called on by businesses time and again, and through structured conversations they can be focused to support the specific issues faced by businesses. The Business Productivity Review references the PLATO Networking programme operational in Belgium. The aim of the PLATO networking scheme is to provide intensive guidance to SME managers by organising structured meetings between SME managers. One study³ found that participation in the scheme was associated with 2.5% higher labour productivity, another study⁴ found that businesses participating in the network had 5% more assets and 7.4% higher value-added growth.

Building on these findings the UK Government, through the Department for Business, Energy & Industrial Strategy, has committed £20m to strengthen local Peer-to-Peer networks focused on business improvement so that thousands of business leaders can share and benefit from expertise on leadership, business development and technology adoption. Whilst the long-term objective of this initiative is to drive up productivity and help close the gap with our competitors, this is exactly the support businesses need now to develop the skills to tackle issues they face in relation to COVID-19. As these networks will continue at least to end March it is expected that they will also be useful in preparing SMEs for the end of the EU transition period and entry into a new trading environment.

The Peer Networks programme is the mechanism through which the funding will be channelled, and peer networks developed and delivered locally through Growth Hubs.

² 9 International Experience in Leveraging Business Development Services for SME Productivity Growth: Implications for UK Policy – Summary of an Expert Workshop and Background Papers. OECD. September 2018 www.oecd.org/cfe/leed/UK-BDS-Synthesis-Report-Final.pdf

³ 43 Van Cauwenberge et al (2013), An evaluation of public spending: the effectiveness of a government-supported networking program in Flanders.

⁴ Schoonjans et al (2013), Knowledge networking and growth in service firms

Peer Networks and Action Learning

Action learning is an approach to problem solving and learning in groups to bring about change in individuals, teams, organisations and systems. It is based on the principle that the most effective learning takes place in the context in which people are working. A Peer Network is a private group of invited business leaders, formed to support its participants by working together to share challenges, solutions, knowledge, expertise and experience. Typically:

- Participants gather on a regular basis with the support of a facilitator to explore individual participants' challenge and to co-operate by sharing learning from each other's successes, setbacks and practices.
- The point is to realise opportunities, overcome challenges, develop themselves and their businesses.
- The conversation is structured and facilitated using action learning principles to ensure consistency, efficiency and effectiveness, leading to specific actions self-directed by participants.
- Participants reflect on the feedback and discussion and act on new thinking following the session, reporting the results back to their co-members the next time they meet. This helps everyone move forward on their challenges and learn from each other's progress. The fact that participants always report back to the group helps everyone hold each other to account for progressing with their issues and opportunities.
- The process is designed to deliver new insights for participant and result in tangible actions or solutions.

For the Peer Networks programme participants will benefit from both access to a professional action learning facilitator and one-to-one support outside of the group sessions. Importantly, the content of the sessions is driven by the participants from a list of key themes (e.g. business development, marketing, people management, technology adoption, response to COVID-19, EU transition) and can be tailored to focus on their specific needs, including wider issues that may be affecting their sector, locality or business model.

Aims and Objectives

Peer Networks will form an important part of the Government's drive to improve productivity and deliver part of the economic response to the effect of COVID-19 on businesses. It will provide support to SMEs as they move into and through the Recovery phase of COVID-19 response. The aim is to improve SME's capability to adapt their business models to the "new normal", position themselves for future success and drive longer term productivity gains through improved leadership and management skills and tech adoption.

This Leicester and Leicestershire project will aim to target 112-154 participants locally in 2020-21 which is based on a minimum of 8 network members x 14 cohorts and maximum of 11 network members x 14 cohorts and forms part of a large overall national programme.

Success will be measured by:

- Firm survival
- Growth in value added as an indicator of recovery from COVID-19
- Improvements in labour productivity
- Participant views on the resilience of their SME
- Participant views on their leadership and management skills
- The SME's ability to recruit and retain staff where appropriate
- The SME's ability to access cash to continue trading
- Changes in the SME's adoption of technology

Detail of Requirements

We are seeking to appoint a provider/s to deliver key elements of the Peer Network Programme. This is expected to support the growth of at least 112 participants and SMEs, through the provisions of cohort groups, across the Leicester and Leicestershire Growth Hub area.

A breakdown of the Leicester and Leicestershire requirement for Peer Network delivery is provided at Table 1 below.

Table 1

| Peer Network | Cohorts being delivered |
|-----------------------------------|-------------------------|
| Fashion and Textile Manufacturing | 2 |
| Manufacturing – General | 2 |
| Digital and Creative | 2 |
| High Growth | 2 |
| Tourism and Hospitality | 2 |
| Retail | 2 |
| Food and Drink Manufacturing | 1 |
| Agriculture | 1 |

Quotations are invited in respect of the delivery of one or more of the Peer Networks detailed at Table 1 and the number of cohorts within each Network, including working with the Leicester and Leicestershire Growth Hub to initially:

- Deliver the contracted number of cohorts of Peer Networks between 19 October 2020 and 31st March 2021, targeted at businesses that meet the specified criteria
- Enrol owners or managers onto the programme by virtue of an approved form and via the Leicester and Leicestershire Growth Hub's CRM platform
- Cohorts will receive 18 hours of support via a facilitated Peer Network meeting and 3.5 hours of 1 to 1 support.
- In delivery, the supplier will utilise the 'Playbook' that will be provided
- Provide feedback reports to the Contract Manager
- Collect and record evaluation data from the cohort members
- Record activities and time spent with each cohort member, utilising the Leicester and Leicestershire Growth Hub's CRM platform

- Provide the Growth Hub Manager with recommendations for additional support provision, relevant to the Peer Network's sector or areas of interest

You will need to clearly demonstrate in your tender response how you will meet the required deliverables within the available budget and timescales.

The programme will be supported by a playbook – a user handbook to aid the successful roll-out and implementation of the programme. It aims to provide a common resource to support local delivery partners and will help ensure there is a suitable level of national consistency in how the programme is delivered, whilst allowing for a degree of local flexibility as appropriate. The relevant information will be provided to the successful provider(s).

The provider will be required to:

- detail how they will deliver the programme virtually using video conference technologies
- detail how they would deliver the programme face-to-face if Covid-19 restrictions permit
- set out how suitable SMEs will be identified, recruited, and enrolled
- detail how many peer networks will be delivered across the duration of the contract period
- detail how many participants (SMEs) will be supported across the duration of the contract period
- set out how they will ensure optimal cohort mix and balance within a group
- explain how the peer networks will be successfully managed, run and facilitated
- ensure that SME participants are representative businesses within the LEP/Growth Hub area
- detail how the KPIs will be met, how evidence and record keeping requirements will be undertaken, and how the external evaluation process will be supported
- provide detailed costing associated with the service delivery to ensure that the budget is utilised effectively, provides good value for money and a strong economic return

Critical to the success of this programme is the use of experienced facilitators deploying an action learning style to drive the peer network and deliver high-impact outcomes. The facilitator(s) should have the skills, experience and qualifications needed to successfully facilitate sessions with small business owners. The provider must be able to clearly demonstrate and evidence a track record in facilitation and show how the facilitator(s) they plan to deploy meet the facilitator specification provided as part of the tender documentation.

In addition, the provider must also be able to demonstrate the successful delivery of similar support to SME business owners, entrepreneurs, and managers. The provider should be able to demonstrate an excellent understanding of the specific needs, characteristics and issues faced by SMEs with the local region, and a detailed understanding of the range of business issues associated with growth, productivity, innovation, strategy, people and skills, driving change, resilience, technology adoption – and how to address these.

Complementing the delivery of facilitated action learning sessions will be targeted one to one support for individual participants this will add value to the professional and personal growth achieved through the group sessions.

This can come in the form of coaching, mentoring or advice and will need to be delivered by suitably qualified and experienced individuals to SME business owners or senior leaders. This one to one support element will be specific to the individual needs of each participant, so the provision may need to address a wide range of areas across the one to one support spectrum. The provider must be able

to clearly demonstrate and evidence a track record in one-to-one support and show how the Individuals they plan to deploy meet the specification provided as part of the tender documentation.

Delivery Model

Peer Networks is a national initiative that will be delivered locally through the Local Enterprise Partnership (LEP) network and local Growth Hubs.

The programme invites leaders and senior managers from the SME business community who meet the eligibility criteria below to participate in a local peer network that will meet regularly over several months.

Target SMEs profile:

Essential criteria:

- In operation for 1 year+
- At least 5 employees
- An aspiration to improve
- A turnover of at least £100,000

Desirable:

- Scale ups
- Exporters and potential exporters

The provider will need to carefully consider who is recruited to minimise participant drop out.

The provider will be expected to deliver against the playbook. In summary, the delivery model is:

| | |
|-------------------------------|--|
| Target cohort size: | 8-11 business owners or senior decision makers per cohort. |
| Number of sessions: | Led by an experienced facilitator using the action learning methodology, the number of sessions will be determined by local needs. Each cohort must meet for a total of 18 hours. |
| Frequency of sessions: | Typically, fortnightly (determined by local needs). All sessions must be completed by 31 March 2021. |
| Location: | Given current social distancing restrictions and the ongoing COVID-19 pandemic the sessions will be delivered virtually. As restrictions and guidance are changed LEPs should consider face-to-face delivery where there is a demand for this style. |
| Topic selection: | Topics could include but are not limited to: <ul style="list-style-type: none"> ▪ Finance ▪ HR ▪ Sales and Marketing ▪ Adjusting to social distancing ▪ Business Model Innovation ▪ Change Management ▪ Embedding formal management processes and systems |

| | |
|-----------------------|--|
| | <ul style="list-style-type: none"> ▪ Digital (including adoption and implementation of technology, cyber security) ▪ Use of data to drive value in the business ▪ EU transition ▪ Net zero. |
| Methodology: | Each session must be facilitated according to action learning principals. |
| Added support: | Individual one-to-one support relevant to identified businesses needs must also be provided. This must be a minimum of 3.5 hours. This requirement can be met from within the programme, or through other existing local activities. This support must also be completed by 31 March 2021. |

Each of the sessions must be led by an experienced facilitator utilising the action learning methodology. This is a highly effective way of running peer networks and provides a common framework to ensure national consistency across all the local groups. The facilitator will lead and host the sessions (using the Leicester and Leicestershire Growth Hub’s MS Teams platform) and use principles of action learning to successfully facilitate each one.

Deliverables

Programme Mobilisation and Programme Management

The key deliverable is to support the development and delivery of Peer Networks within the Leicester and Leicestershire Growth Hub area during the contract period using the defined facilitated peer network model and against the specified criteria if the provider is undertaking the recruitment of businesses.

Key regional deliverables for the Peer Networks Programme include:

Management:

- A robust application process for recruiting appropriate businesses/participants
- A robust model for undertaking the ‘change in attitudes’ survey of businesses supported on the programme
- Meeting programme quality assurance requirements to be set out in a quality assurance framework
- Commitment to undertake monthly reporting, including using a programme resource for network KPI capture

Engagement:

- Number of participants entering the programme
- Number of cohorts built
- Number of participants receiving a minimum of 6 hours facilitation
- Number of participants receiving a minimum of 12 hours facilitation
- Number of participants receiving a minimum of 18 hours facilitation

Results:

- Number of cohorts completing 18 hours of action learning
- Number of individuals completing 18 hours of action learning

- Number of participants who have received a minimum of 3.5 hours one-to-one support through the programme
- Number of participants who have received a minimum of 3.5 hours one-to-one support outside the programme
- Number of participants who have received both – 18 hours of action learning sessions and a minimum of 3.5 hours one-to-one support
- Commitment to report a summary of participant support received, and signposting and referral details

Duration and Budget

The contract period will be from the award date until the 31st March 2021.

The value of activity indicating this will be between a lower limit £13,000 and upper limit of £14,000 excluding VAT.

Indicative Procurement Timetable

The procurement is intended to follow the timeline below:

| | | |
|---|------------------------------|-------------------|
| 1 | Request for Quotation Issued | 21/09/2020 |
| 2 | Deadline for Clarifications | 28/09/2020 |
| 3 | Deadline for Bids | 05/10/2020 |
| 4 | Evaluation | 08/10/2020 |
| 5 | Contract Award | 09/10/2020 |
| 6 | Initial Project Meeting | 12/10/2020 |
| 7 | Contract Start | 19/10/2020 |

Please note the Growth Hub reserves the right to amend this time-table and steps 4, 5, 6 and 7 are provided for indicative purposes only.

Quotation Response

PLEASE NOTE: A completed Request for Quotation (RfQ) must be submitted for each Peer Network you are looking to deliver. e.g. If you are looking to deliver both the “High Growth” and the “Food and Drink Manufacturing” Peer Networks then two separate responses are required. We would expect to see that these responses are tailored to reflect the relevant knowledge and expertise required to deliver these effectively.

To register your interest and to apply to obtain an MS Word Request for Quotation form for completion please email finance-ilep@ilep.org.uk indicating which Peer Network you are looking to respond to.