



Economic
and Social
Research Council

PRODUCTIVITY INSTITUTE Call specification for outline proposals

Deadline for submitting proposals through Je-S: 16:00 13 Nov 2019

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Tip for selecting the correct call on Je-S:

Please select the New Document menu and search for and select
'Productivity Inst Outlines' using the Call Search function.

Preface

The ESRC, part of UK Research and Innovation, is making a major investment in research on productivity. We wish to enable social science of the highest calibre to be at the forefront of efforts to better understand the causes of productivity growth and to inform policy and practice, to improve UK productivity.

UK productivity is weak by comparison with peer nations in terms of low absolute levels, which has seen a relative lack of growth over time. Understanding and addressing the causes of this slowdown, and its variation, is arguably the UK's biggest economic challenge. Improving productivity is necessary both for maintaining living standards, and for meeting national priorities such as improving wages and life chances for more people. We are now establishing a Productivity Institute Programme, to fund firstly an independent Productivity research Institute as a national and international centre of excellence and, subsequently, a suite of complementary thematic research programmes.

The Institute will:

- be a world class centre of excellence that will enable a step up in the power and focus of research in this field, commensurate with the significance of the problem, enabling research to better inform policy and practice to improve productivity,
- provide understanding of measurement challenges and what may be done to address these, the drivers of productivity growth, as well as what individuals, firms, regions and national policy can do to improve productivity in the UK, ensuring research is aligned with research users' needs,
- play a pivotal role in collating, developing and maintaining a strong base of data for new research to inform those seeking to understand and improve productivity.

The Institute, for which outline applications are now invited, is an opportunity for a team to make a significant contribution to advancing knowledge and improving outcomes. The team will be supported by substantial dedicated resources and champions at the most senior levels of ESRC, UKRI and Whitehall departments.

The aim of the institute is to:

- transform the productivity research capability in the UK,
- make the world's best researchers accessible to government and business,
- develop new ideas for improving productivity and public policy affecting productivity,
- create new partnerships for researchers, business and society,
- act as a trusted centre of excellence for policy makers across the UK.

We are now open to bids for a team to become the ESRC Productivity Institute. The Institute will carry out interdisciplinary research and provide the capability to translate findings into feasible solutions, testing and refining these into interventions to improve productivity in different firms, sectors and regions through engagement and co-production with policy-makers and businesses. As a centre of excellence it will catalyse world-class academic research across several key thematic areas simultaneously, ensuring coordination and cross-fertilisation. It will also enable the collection of new types of data that complement and build on existing data, enabling rich analyses that are the backbone of transformative social science in this field.

The successful bidders will need to show they have both the academic excellence and appetite

for collaboration with a wide range of stakeholders and with researchers from a range of disciplines. They will need to provide leadership across the productivity research landscape and be comfortable collaborating with policy makers as well as with other researchers. The winning team will be committed to generating evidence of outputs and outcomes for the funder, understanding that such data is integral to learning how to support and operate a successful Institute. Finally, the successful team will need to pursue opportunities for funding to support the Institute's longevity.

We look forward to receiving your proposals.

Professor Jennifer Rubin and Professor Sir John Vickers

Summary

The Economic and Social Research Council (ESRC), on behalf of UKRI, is intending to invest up to £32.4 million (at 100% FEC) over five years in a Productivity Institute. Due to start in September 2020, the Institute funded through UKRI's Strategic Priorities Fund, will contribute substantially to ESRC's aim to fund ambitious, innovative, and impactful productivity research that enables social scientists to play a full and leading role in tackling the UK's productivity challenges. The funding available is presented at 100% full economic cost (FEC) and ESRC will contribute up to 80% of this amount, with the host research organisation responsible for sourcing and providing the remaining contribution.

ESRC's aim is for the Productivity Institute to be an independent, world-class Institute bringing together leading minds from a range of disciplines and backgrounds to comprehensively tackle the UK's productivity challenges through research and innovation activities. The Institute will provide a deep understanding of the drivers and causal mechanisms of productivity growth and what is driving regional divergence, as well as what individuals, firms, regions and national policy can do to improve productivity.

The Institute will deliver its own thematic research programme carrying out multi/inter-disciplinary research and will also provide the capability to translate findings into feasible solutions. The Institute will test and refine these solutions into interventions to improve productivity in different firms, sectors and regions through co-production and engagement with policy-makers, businesses and civil society communities. The Director and leadership team of the Institute are expected to include world-leading experts from diverse disciplines who can significantly expand the state of knowledge in the field. The Institute will work directly with stakeholders such as other ESRC investments, data custodians, policy makers and fora such as the Industrial Strategy Council, and will build strong collaborations across Whitehall, devolved administrations, business and civil society communities.

Outline proposals are now invited from research teams which should set out initial plans for meeting the ESRC's objectives for this investment, as shown on pages six. Assessment of outline proposals will be carried out by an independent steering group, chaired by Sir John Vickers of Oxford University, which will recommend to ESRC which proposals should be developed into full applications. Feedback on outline applications will be offered to applicants, which will be provided alongside the specification of the call for full proposals in January 2020.

Background

The Strategic Priorities Fund (SPF) has been set up to build upon the vision of a ‘common research fund’ set out in Sir Paul Nurse’s independent review of the Research Councils. The fund will drive an increase in high-quality multi- and interdisciplinary research and innovation, ensure that UKRI’s investment links up effectively with Government departments’ research priorities and opportunities, and ensure that the system is able to respond to strategic priorities and opportunities.

Low productivity is a £300bn problem for the UK¹. According to HM Treasury research, stagnating productivity means that output per hour is now 20% lower than suggested by trends prior to 2007, with significant impacts on public finances, wages and resources. Regional disparities in productivity levels and growth rates across the UK are amongst the worst in the OECD (relative to income levels), with significant implications for inequality and well-being.

ESRC and stakeholders with whom we have engaged have identified a clear demand for a significant and coordinated investment that will enable a step up in the power, quality and focus of research in this field so that it may better inform policy and practice to improve productivity. Given the potential benefits of doing so and the acknowledged scale of the UK’s productivity problems, the absence of such a strategically focused initiative at scale is a remarkable gap in our national investment in research and its application.

The current research and policy landscape, across all the UK nations, consists of a number of commitments, strategies and initiatives to improve productivity. The UK has an ambitious Industrial Strategy underpinned by the national priority to address our productivity gap. The BEIS Area of Research Interest (the documents setting out government departments’ most pressing research questions) contains explicit mention of the need for research to underpin the Industrial Strategy, including understanding drivers of productivity growth across UK sectors and regions, and the formulation and promotion of innovations in policy and practice. These new productivity strategies, approaches and policy mechanisms are sources of demand for the most up-to-date and accurate research and information, and require coordinating, leading structures to ensure they are joined up wherever possible.

The ESRC made a commitment in 2016 to invest strategically in productivity research. In 2018, the Productivity Insights Network (PIN) was established with a brief to catalyse wider involvement in this field through small, targeted research projects across a wide range of areas. ESRC, through its investment in PIN and directly, has supported the Industrial Strategy Council in 2019 to access leading research and expertise on productivity directly from the research base.

Role of the Institute

The proposed Institute will undertake its own research, collaborate with, complement and inform others nationally and internationally. Central to the Institute’s capability will be providing an understanding of the mechanisms that drive productivity combined with the ability to translate these findings into feasible approaches to improve UK productivity. The Institute’s work will be carried out through co-production and engagement with policy-makers, businesses and other stakeholders.

With a large scale investment the Institute will build a research environment able to:

- attract the world-leading experts and the diverse disciplinary expertise required for

significantly expanding the state of knowledge in this field,

- catalyse world class academic research across several key areas simultaneously, ensuring coordination and cross-fertilisation,
- enable the collection of new types of data that complement and build on existing data, forming rich analyses more often found in the US that are the backbone of transformative social science in this field,
- work effectively with business and policy communities, and engage nationally and internationally to develop research and communicate findings with a broad range of stakeholders.

As well as being a node of research and innovation excellence, the Institute will play a pivotal role in co-ordinating the UK landscape for productivity research with the aim of aligning effort across researchers and stakeholders.

¹ ONS, International Comparisons of Productivity, 2018; ONS, Gross Domestic Product, 2019; calculated by applying the % difference in GVA per hour worked as compared to the G7 average to UK GDP.

Institute objectives and requirements

The ESRC, with its partners, has identified a number of benefits it would like to see arise from the Productivity Institute. Bidders should include in their outline applications a concise yet thorough plan for addressing the following objectives:

- Establishing and delivering a coordinated and comprehensive programme of excellent research which directly addresses the challenge of improving UK productivity and delivers a step-change in productivity research and innovation activities. The Institute itself is expected to deliver the principle of 80:20 'long-term strategic' to 'responsive' research as advised by Whitehall departments and other stakeholders.
- Delivering improvement in the generation and use of evidence, and the capability to embed research within policy and practice across regions and sectors, to improve productivity.
- Developing approaches and interventions for improving productivity to be embedded within organisations through changing practices that influence behaviours and mind sets.
- Involving un (and under)-explored sectors, places and groups, including addressing spatial dimensions, understanding the long-tail and championing genuine inclusivity to ensure the involvement of different groups, businesses, sectors and regions.
- Building interdisciplinary communities by forging sustainable engagement between the productivity-related research community and policy-makers, practitioners and business. Which will then take a coordinated approach to productivity research and policy to address long-term productivity challenges.
- Increasing the capability of social scientists to work directly with business and policy, whilst also increasing the capability of business and policy to work with the research base.

Both private and public sector productivities are in scope for this call. Proposals must include plans for research and innovation relating to private sector productivities, and may extend to include public sector productivities as bidders wish.

As well as advancing knowledge and engagement to inform policy and practice to the benefit of many across the UK, the Institute will be responsible for delivering a set of specific requirements during the period of investment.

Research agenda

An early priority for the Institute will be to develop a research agenda for productivity research to provide a framework for academic researchers beyond the Institute and for policy facing analysts to align future work. This agenda will also inform the commissioning of separately

funded thematic research programmes to be commissioned by ESRC in 2021. This research agenda should be ambitious, internationally relevant and informed but also UK focused and integrated, building on international research and programmes as well as thematic evidence reviews produced by the Productivity Insights Network and informed by consultation with a range of stakeholders. The research agenda will necessarily retain a high degree of flexibility during the life of the Institute, in order to follow new findings and be responsive to the identified gaps in the research landscape. As part of its own research agenda, the Institute is expected to deliver the principle of 80:20 'long-term strategic' to 'responsive' research as advised by Whitehall departments and other stakeholders.

Business innovation and fellowship programmes

Within the overall budget envelope for the Institute, there are two ring fenced items to be used for specific purposes:

- (i) £4m (RC contribution) is allocated to the Institute to create and deliver a clear offer to businesses in the UK comprising research informed solutions to productivity problems and challenges. Modelled on the proven [Analysis for Innovators Programme](#), the Institute will work directly with Innovate UK to create and deliver a business innovation programme which will provide businesses with access to social scientists who can offer expertise in solving business productivity problems. This will offer social scientists the opportunity to utilise their knowledge and skills to work with business and build the evidence base of what works in improving business productivity.

- (ii) The institute will offer research and knowledge exchange (KE) fellowships to support co-delivery of research with other national and international funders, stakeholders in government, the third sector, business, chartered professionals, trade organisations and regional policy bodies. A further £4m of the total budget is therefore ring fenced for a Productivity Fellowship programme: providing secondments and exchanges between academics, government and businesses (both into and out of the Institute environment, including national and international fellowships for visiting researchers) in order to co-deliver research and analysis, forge lasting relationships and links across the 'quadruple helix' (academia-policy-business-third sector) and build international collaborations.

Project management, reporting and evaluation

The Institute will be required to establish project management and reporting systems to enable instances of impact and outcomes beyond academia to be identified and shared with the funder, as well as undertake evaluation activity. The funder intends to undertake two stage gate reviews² of the Institute during the five years of investment, to which the award holder will need to contribute high quality performance information.

² Likely to review governance effectiveness, evidence of delivery of sufficient performance information, adequacy and success of the income generation plan and successful delivery of required outputs e.g. the research agenda.

Planning for longevity

It is ESRC's intention that the Institute outlasts the five years of funding that is currently available, shaping an organisation with longevity. It will be a requirement of funding that the Institute from the outset leads the work of securing future funding. The Institute will need to nominate a senior leader to be responsible for income generation, the scale of which ought to mirror, in broad terms, the level of activity initially funded. ESRC will be open to discussions with the Institute about funding beyond the initial five year period. Any case for funding will need to be supported by high quality and comprehensive evidence of need and of fit with ESRC strategy, evidence of which will need to be sourced and delivered by the Institute.

Assessment criteria

The assessment of proposals will be a two-stage process. Outline proposals will be assessed and shortlisted by an expert assessment panel, with shortlisted applicants invited to submit applications to the full proposal stage. Feedback and further guidance will be issued at this time. Shortlisted proposals are expected to meet a number of requirements confirming their commitment to delivering a suite of benefits.

For outline bids to merit being invited to be developed into full bids, the commissioning panel will be asked to consider whether the outline plans show sufficient potential to meet the objectives and requirements of this call specification.

Outline proposals should include evidence how they satisfy the following criteria:

1. social science research that is excellent, independent and rigorous
2. strong institutional support,
3. a leadership team covering diverse disciplines,
4. a strong research track record in regards to:
 - a. scientific excellence relevant to productivity research. Scientific excellence should include evidence of multi/inter disciplinary work;
 - b. designing, managing and attracting funding for ambitious programmes of research and knowledge exchange including attracting, convening and leveraging world- leading expertise;
 - c. co-producing work and engaging with stakeholders including policy-makers, businesses and civil society organisations in ways that have generated substantial impact and knowledge mobilisation,
5. ability to communicate clearly, succinctly and persuasively with a range of audiences.

Eligibility

Please refer to the Productivity Institute Je-S Guidance for full details of the eligibility requirements.

- Principal investigators must be based at a UK institution eligible for [UK Research and Innovation funding](#).
- Public Sector Research Establishments (PSREs) are now also eligible to apply to SPF programmes. If PSREs wishing to apply have not previously applied for UKRI funding

and are not currently designated IRO status they will be required to complete an eligibility form to ensure they have the required research capacity, systems and controls in place to manage the research and grant funding. See <https://www.ukri.org/funding/how-to-apply/eligibility/> for further information. Eligible [international co-investigators](#), [co-investigators from UK business, policy or civil society](#) and PSREs can also be included in proposals.

- Please note that applicants' (and members of the research team) total commitment for this grant and their ongoing ESRC grants should not exceed 37.5 hours.
- Open Access policy - Researchers will be expected to comply with the requirements outlined in the [UKRI open access policy](#).

How to apply

Please refer to the [Productivity Institute Je-S Guidance](#) for full details of the application requirements. Please select the New Document menu and search for and select 'Productivity Inst Outline' using the Call Search function.

You may also wish to refer to the [Frequently Asked Questions](#), should you have any queries.

Proposals must be submitted by 16:00 on 13 November 2019 using the Research Council's Joint Electronic Submission (Je-S) system at <https://je-s.rcuk.ac.uk>. Proposals costs must **NOT** exceed £32.4m (at 100% fEC) and must be approved by the institutes research office before submission. It is strongly recommended that applicants submit in good time before the call deadline of 13 Nov 2019 and ensure that they are aware of any deadlines within their institutions that relate to the grant submission process.

Proposal attachments

All attachments should be submitted using Pdf format and Arial, Gill Sans or Garamond font, with a minimum font size of 11.

It is important that applicants **only submit the supporting attachments specified in this document**. Please refer to the Productivity Institute Je-S Guidance for full details of proposal attachment requirement. The following are mandatory attachments for this call:

- Case for support, (not exceeding three sides of A4, an additional one side of A4 allowable to add details of citations provided in your case for support).
- Justification of resources (not exceeding one side of A4).
- CV attachment for all researchers (**one** document only to be submitted to include **all** named researchers' CVs). A maximum two page CV should be provided for the PI and Co-Is on the proposal and only a **one** page CVs for other named researchers. Applicants **must** use the CV template available in the call Je-S guidance.
- Host research organisation letter of support (**one** document, not exceeding two sides of A4).

No other attachments should be included. If you are unclear about whether you can include a

specific attachment please contact productivity@esrc.ac.uk for advice. ESRC reserves the right to reject proposals that include attachments not permitted on this call.

The Productivity Institute will not be subject to the [ESRC Research Institutes](#) policy.

Commissioning timetable

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| • Outline proposal submission deadline | 16:00 on 13 Nov 2019 |
| • Shortlisting decision to applicants | Jan 2020 (precise date tbc) |
| • Invited full proposal submission deadline | March 2020 (precise date tbc) |
| • Expected project start date | 01 Sept 2020 |

Contacts

Enquiries about this call:

- Claire Feary
Email: productivity@esrc.ac.uk

Enquires about the Je-S Submission System:

- The Je-S Helpdesk
Email: (jeshelp@rcuk.ac.uk)
Telephone: (+44 (0)1793 444164)

The Je-S Helpdesk is staffed Monday to Friday 9.00 to 17.00 (excluding public and other holidays).