

REQUEST FOR QUOTATION

SCOPE AND CONTRACT SPECIFICATION FOR:

Economic Impact Scoping Report – Implementing customs warehousing and other reliefs within the Liverpool City Region

1. Scope

The Liverpool City Region Local Enterprise Partnership is looking to appoint a consultant to undertake an appraisal of the opportunities for economic growth arising from the provision of customs warehousing and other reliefs to goods imported and then manufactured and/or assembled within the City Region before export.

2. The Client

The client is the Liverpool City Region Local Enterprise Partnership on behalf of the Combined Authority (CA).

3. Background

Liverpool City Region has recently published its Growth Strategy for the next 25 years which sets the direction of travel for the six local authority areas encompassed by the City Region (<https://www.liverpoollep.org/wp-content/uploads/2016/06/SGS-Final-main-lowres.compressed.pdf>). The strategy builds on the Devolution Agreement agreed with Government in November 2015 which will see an elected City Region Mayor, together with devolved budgets for transport, skills, infrastructure, business support, innovation, planning and housing. The focus of the strategy is economic growth which will be delivered through a focus on three areas – productivity, people and place.

The City Region has a population of 1.5 million and its economy is worth £28.3 billion GVA with output increasing by 8.4% in the five years up to 2014. It also has the second highest high-growth companies in the country, second only to London. However, the region still faces many challenges with too few private sector jobs, high levels of worklessness and concentrated pockets of poverty proving barriers to growth.

The drive to increase productivity includes a focus on key growth sectors and encouraging enterprise growth alongside workforce development. This reflects key areas within the LCR Devolution Agreement which includes commitments for the Government and the LCR to work together to increase inward investment and also to support business growth and supply chain development.

A study, recently produced for the Liverpool City Region, to inform the Freight and Logistics Strategy identifies the importance of taking proposals for the UK leaving the EU into account, particularly in the context of warehousing and Customs regimes and the LCR's relationship with Ireland.

This is further supported by the Centre for Policy Studies report entitled, “The Free Ports Opportunity” which outlines how Brexit offers a change of circumstances in which Free Trade Zones can help to rebalance the economy by enhancing conditions for economic growth and job creation particularly in areas ranked in the bottom quartile of the ONS’ Index of Multiple Deprivation. (<http://www.cps.org.uk/publications/reports/the-free-ports-opportunity/>)

The Devolution Agreement states: HMRC, as the UK customs authority, is committed to supporting economic growth through the provision of efficient, simple and transparent customs facilitations and procedures to existing and new customers. HMRC commits to creating a model whereby it would extend its existing policy of customs warehousing and other reliefs to any goods that are imported and then manufactured and/or assembled in Liverpool City Region before export, subject to the applicants meeting the necessary conditions outlined in the various customs notices.

4. Specification

In order for HMRC to provide this level of support, the CA requires a report comprising detailed appraisal of the opportunities for economic growth, modelling and financial analysis of the potential customs warehousing and “Free Trade” zone options (and other customs relief schemes) covering the following areas:

- Evaluation of a range of options for how this could work across the Liverpool City Region from “Free Trade Zone” status to the potential for designating other and existing warehouses in the LCR so that they can hold goods in bond or a similar status
- How these various options could encourage additional manufacturing, exports, investment and international trade
- Analysis of revenue implications for HM Treasury of these options – including impacts on income and corporation tax vs impacts on import duties etc
- Location options and implications including aligning with LCR Enterprise Zones and their reliefs and allowances and the Port
- The benefits for existing City Region businesses, particularly SMEs
- The benefits for the City Region and UK economy of each option

The report should specifically incorporate the context of the City Region as a global port and with regards to key growth sectors, the City Region investment and export opportunities and our ambitions. Much of this information can be drawn from existing sources.

A detailed report and supporting data is required by the CA on completion of the study which should be no later than 30 June 2017.

A maximum budget of £20,000 has been set for this piece of work.

5. Response Requirements

Consultants wishing to respond to the Request for Quotation (RFQ) will be expected to provide, on no more than 6 pages:

- A proposal highlighting the expertise and experience to deliver a detailed and commercially robust report in response to points in section 4 of the RFQ.
- Details of the proposed approach to the study and report.
- A quotation for the work required.
- Ability to deliver the report within the proposed timescale.

6. Evaluation

Proposals will be evaluated against the following criteria:

- Expertise and experience – 60%
- Cost effectiveness – 30%
- Ability to deliver within timescales – 10%

7. Responses and timescales

Responses to this **RFQ should be submitted no later than Friday 17 March 2017 at 5.00pm.**

Two written copies of your response should be submitted in a sealed envelope, stating “RFQ - Economic Impact Scoping Report – Implementing customs warehousing and other reliefs within the Liverpool City Region” and marked for the attention of Claire Delahunty, Liverpool City Region LEP, 12 Princes Parade, Liverpool L3 1BG. Envelopes **must not** indicate the identity of your organisation. A soft copy should also be provided by email to Claire.Delahunty@liverpoollep.org

Any **requests for clarification** must be submitted by email to Claire.Delahunty@liverpoollep.org no later than Friday 3 March 2017.

Appointment is expected by Friday 31 March 2017.

8. Contract

Any contract awarded subject to this RFQ will be subject to the Liverpool City Region LEP terms and conditions which are available on request.

Important Notice

Whilst the information in this document is given in good faith and is believed to be correct it does not purport to be comprehensive or to have been independently verified.

Whilst the CA is committed to selecting a partner, it reserves the right not to accept any proposals or award the contract.