



Ministry of Housing,
Communities &
Local Government

Local Digital Fund Prospectus

Supporting local government collaboration, learning and digital innovation projects



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INTRODUCTION

1. On 4 July 2018 the Government made a commitment to help councils transform local digital public services, backed by up to £7.5m of funding. Local Government Minister Rishi Sunak launched the initiative to help change the way councils use technology to design and deliver public services, share expertise and ensure the public get services focused relentlessly around their needs.
2. Local authorities provide a wide range of services to the public, and many of these services are common across the country. Councils collect waste and recycling, clean the streets, care for the most vulnerable, allocate school places, issue blue badges and so on. Often councils have have designed, procured and delivered these services by themselves - either designing and building something in house or buying a complete, 'full stack' product from an IT provider that leaves them with little ability to modify and improve the service as their needs change. This creates inefficiencies in the market with missed potential for learning and collaborating, and perpetuates the use of inflexible technology. As outlined in the [Local Digital Declaration](#), we want to support councils to solve their common problems more effectively, develop their digital capacity and design and deliver high quality services.
3. The Local Digital Fund is intended to support all authorities and equip them with the requisite resources to deliver the agenda set out in the [Local Digital Declaration](#).
4. This programme of funding aims to:
 - help councils maximise efficiency savings by moving towards common data standards and common patterns for local services - solving problems collectively rather than many times
 - fund work that benefits the collective, rather than work that individual councils would do anyway as part of their local efficiencies programme
 - fund small, iterative projects that help us learn how best to aid the move to standards quickly
 - use funding as an incentive for councils to do the work needed to develop standards, but which is in no individual council's interest to fund. It will help us connect councils that face the same challenges, taking the cost and pain out of solving these problems in a common way.
 - build capacity in the sector's leadership, helping them better drive the move towards interoperable local digital services. And build capacity in the sector's IT and service delivery community, helping them to learn by doing GDS-style service design and sharing lessons learnt openly.
5. The £7.5 million of resource funding announced in [speech by Local Government Minister Rishi Sunak MP at the Local Government Association Annual Conference 2018](#), is available for the financial years 2018/19 to 2019/20. Bidding for the Local Digital Fund will be opened and split over the financial years 2018/19 to 2019/20. The fund will cover digital capacity-building for local government staff, and exemplar

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projects. The Department reserves the right not to allocate the full £7.5 million over the two years depending on the nature and quality of project applications. This prospectus focuses on how to seek funding for an exemplar project. We expect to issue a further prospectus for the remainder of the fund in due course.

6. Local authorities¹ in England are eligible to bid into the fund, whether individually or in partnership at the Expression of Interest stage. However, all should note the prioritisation criteria for each funding stream (see points 21 to 24), which also states that all bids will need to be developed or contributed to by 2 or more local authorities.
7. Central government departments are invited to bid as the lead organisation if they can demonstrate input from at least 2 local authorities and all other application criteria are met.
8. Third and private sector organisations (on their own or in partnership with local authorities) are not invited to submit proposals.
9. The prospectus invites expressions of interest by 5 October 2018 and applications by 18 November 2018 via online application at www.localdigital.gov.uk.

¹ local authorities - County Councils, District Councils, London Borough Councils, the Common Council of the City of London, Combined Authorities and Greater London Authority.



LOCAL DIGITAL FUND

Overview

10. Support under this section of the prospectus is offered to stimulate and support digital service transformation in a collaborative and joined up way that benefits the wider local government sector.
11. Funding will be transferred to the lead applicant organisation. Where this is a local authority, awards will be made via section 31 of the Local Government Act 2003. Where the lead applicant is a central government department, awards will be made via budget transfer or invoice.
12. Funding will be confirmed for 2018-19 and amounts awarded as proposals move successfully through the bidding process and allocation model described in this prospectus.

Who can apply?

13. Local authorities and central government departments in England are eligible to submit expressions of interest, whether individually or in partnership with other local authorities. At the application stage, all bids will need to demonstrate input from at least 2 local authorities. While lead applicants must be English, partnering applicants can be from elsewhere in the UK. The bidding is not open to private or third sector organisations; however, there are no restrictions for winning bids to commission a private company to help deliver the project.
14. All applicants must have signed the [Local Digital Declaration](#) and agree to deliver the project in line with the Declaration principles (see point 27).

Bidding criteria

15. Applications will need to:
 - demonstrate the benefit to local public services, ideally helping local authorities to make savings and deliver better outcomes for people in their communities
 - be scalable by design, developed or contributed to by 2 or more local authorities to meet the needs of many organisations
 - aim to deliver products that help others use or build on their work. These could include standardised user research findings, service design patterns, benefits cases, code repositories, etc.
 - demonstrate how they meet the principles outlined in the declaration
 - contribute any necessary additional resource - financial or human - to ensure that the project is successfully delivered to schedule. This can be in-kind contribution of staff time, and come from a collection of parties to the bid.
 - commit to making all tools and outputs from the project completely open and freely available for any organisation to reuse.



Prioritisation criteria

16. In making awards, priority will be given to those proposals that offer the greatest benefits, in particular, potential savings and improvements for service users and operators. Full Assessment Criteria and their associated score weighting can be found in [Annex C](#).

Application process

17. A two stage process will be put in place for allowing local authorities to access the Local Digital Fund. During Stage 1 (24 September to 5 October 2018) Local authorities and central government departments will be invited to submit an expression of interest (see [Annex A](#)). After evaluation, MHCLG will cluster applications where similar projects are proposed to help local authorities collaboratively solve common issues. Stage 2 (15 October to 18 November) will require bidding organisation clusters to submit an application form (see [Annex B](#)). Organisations can submit multiple expressions of interest, one per project.

Decision

18. We aim to announce which applications were successful by 03 December 2018.

Funding for the first round of projects

19. Local authorities and central government departments will be invited to bid for funding to develop projects from the beginning (starting at Discovery phase), or apply to access funding to take an existing project into a later stage of maturity (starting at Alpha phase). The first round of funds will only consider applications for Discovery and Alpha funding. We will consider funding later phases of work in the next call for applications in 2019.

1. Discovery funding and required deliverables

20. Discovery projects aim to better understand a common problem that applicants believe to be common for many local authorities. The discovery project should aim to better understand this problem, its cost to taxpayers and its burden on people. At the end of a discovery project, applicants should demonstrate that they have gained a proper understanding of the problem in question, and have a proposal for how the problem could be solved.

21. We'll offer up to £80,000 for applicants who want to carry out a discovery project and commit to delivering:

1. a business case or benefits case that explains the cost of the problem and the potential for savings - both to the councils involved and to the nation
2. a user research report, justifying the project's conclusions
3. a conclusion proposing what product or service you should develop in an 'alpha' project to solve the problem(s) you've identified in your research. This may include a first draft 'to be user journey map'. If the problem turned out to be different or more complex than imagined, the conclusion should outline the need for more work in a new discovery project, or a recommendation that this work will not continue.

All key application form content and project outputs will be published on our website and should be designed to be easy to read.

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2. Alpha funding (solution development funding) and required deliverables

22. Alpha projects aim to build and test something for which we are sure that there is a need.

We know that cohorts of councils and shared services around the country have been working out great solutions to common problems, but perhaps lacked the resource to test their products with more organisations and document the work for others to use.

23. We'll consider funding 2 types of Alpha projects:

- a. creating a shareable pattern for a solution that has solved a local service problem very effectively and in line with [Local Digital Declaration](#) principles in one local area. The focus of these projects will be to test the assumptions and designs of the existing solution with other potential users, iterate the solution accordingly, and develop a toolkit that makes it simple for others to adopt it.
- b. projects that have produced the discovery outputs listed above (see paragraph 21). At the end of an alpha project, applicants will be able to share user-tested demos that prove they've designed a great solution to the common problem. This will form the basis for an application for further implementation funding.

24. We'll offer up to £100,000 for applicants who want to carry out an alpha project and commit to delivering:

1. a business case or benefits case that explains the cost of the problem and the potential for savings that the solution you've designed could realise - both to the councils involved and to the nation if rolled out nationally
2. a user research report, justifying why the product is designed the way it is
3. an accessible product that shows others how to implement your solution. It could be a user experience demo or design pattern (see [Verify Local examples](#)), a data model (see [Waste standard example](#)), or a set of instructions.
4. a conclusion proposing what product or service you should develop in a 'beta' project. This may include a user tested prototype. If the problem turned out to be different or more complex than imagined, the conclusion should outline the need for more work in a new discovery or alpha project, or a recommendation that this work will not continue.

All key application form content and project outputs will be published on our website and should be designed to be easy to read.

Our wider commitment to digital skills

25. Local authorities will be invited to request digital training as part of the Local Digital Fund application form. We will offer digital leadership and agile project delivery training to support councils in delivering the awarded projects. Initially, the training will be available to local authorities taking part in funded projects only. We expect to issue a further prospectus in the beginning of 2019 detailing how the remaining Local Authorities can access digital skills training.

Further information

26. For further information please contact Local Digital Collaboration Unit (LDCU) at MHCLG at fund@localdigital.gov.uk. All Local Digital Fund related information will be routinely published and updated on <https://localdigital.gov.uk/fund>.

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27. Local authorities wishing to sign the Local Digital Declaration can do this online at <https://localdigital.gov.uk/sign/>.



ANNEX A. LOCAL DIGITAL FUND (EXPRESSION OF INTEREST TEMPLATE)

In the first phase, you'll just have to give some brief information about the project you'd like to do in an expression of interest form. This will allow us to match you with others making similar proposals. The below form summarises the information that applicants will be required to submit online via localdigital.gov.uk. One expression of interest form will be sufficient for an existing cohort of organisations.

* We retain the right to publish any information in the sections of the form marked with an asterix to our website to help maximise collaboration and support for each project.

Lead authority*		
Partners involved* (You can still apply if you haven't yet identified partners and we'll try to match you with collaborators)		
Lead applicant details	Name	Role
	Contact email address	Contact phone number
Proposal details* (choose ONE type of funding you want to apply for)	Discovery	Alpha
	<i>(yes / no. If 'yes' answer Q1 and Q4)</i>	<i>(yes / no. If 'yes' answer Q2-Q4)</i>
<u>Q1: Summary of proposal for the common problem you want to solve, mentioning the cost or opportunity of the problem*</u>		
<i>(An example from a previous project is: 'Over 40% of planning permission applications are incorrectly submitted. We want to understand why users are submitting incorrect applications so that we can develop a standard application process that users can fill in successfully the first time around'.)</i>		
[max 200 words]		
<u>Q2: Summary of the common solution you want to develop or iterate, mentioning who you plan to collaborate with*</u>		
<i>(E.g.: In a discovery project with 4 councils, we analysed the planning permission application process and found that the existing user journey is very unclear and confusing. We have mapped</i>		

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out a new user journey and in this project, we want to prototype and test the new journey with real users and iterate until we're confident that the design is ready to build.)

[max 200 words]

Q3 Discovery evidence*

Explain how you arrived at the solution proposed in Q2, including a URL to your discovery user research if available.

[max 200 words]

Q4 Training requests

We will offer successful applications access to training. Through ongoing user research (of which this Expression of Interest forms part) we are working with GDS Academy to design a tailored training offer for local authorities.

A selection of proposed GDS Academy courses are listed below, please select which of these courses you most need to ensure your project is successful, selecting no more than 4 courses to help us establish priorities. Please detail additional training requirements below as part of your 4 priority training needs.

- Digital leadership training (for councillor leader, service manager or senior executive)
- Digital and agile awareness
- Introduction to user research
- Introduction to service design
- Introduction to delivery management
- Introduction to product management
- Introduction to digital business analysis
- Agile for teams

Please detail other training required, levels of training not detailed in the list above...



ANNEX B1. LOCAL DIGITAL FUND (APPLICATION TEMPLATE FOR A DISCOVERY PROJECT)

In the second phase, you'll be encouraged to submit joint applications for funding, and we'll ask for a little more detail with which to make our final decision. This is what we'll ask in the full online application form. We will only open this form when we've matched up phase 1 applicants.

* We retain the right to publish any information in the sections of the form marked with an asterix to our website to help maximise collaboration and support for each project.

Lead authority*		
Partners involved*		
Section 151 Officer sign-off (e.g. Finance Director)	Full Name	
	Email to send verification email	
Lead applicant details	Name	
	Role	
	Contact email	
	Contact phone number	
Senior responsible officer who commits lead organisation to the project	Name & Role	Email to send verification email
Senior responsible officer who is supporting public sector organisation in the project	Name & Role	Email to send verification email
Q1 Summary of proposal for the common problem you want to solve*		
<i>What is the problem you are seeking to address in the discovery phase, and what are your main objectives for this project?</i>		
[max 300 words]		



Q2 How you will approach the problem*

Tell us how you plan to deliver this project, mentioning:

- *essential events or milestones*
- *whether you'll do everything in-house or appoint an external company to lead the project*
- *how you'll measure whether your objectives have been met*
- *how you'll deliver polished, publishable outputs - including those listed in the prospectus as required - by [insert end date of funding for discoveries]*

[max 400 words]

Q3 Benefits to the local government sector*

Describe the current cost of the problem you're looking to address, and highlight the benefits that could be achieved for local people and public service providers if your project is successful (e.g. avoid staff re-keying a lot of data or applicants waiting too long to receive a service).

[max 400 words]

Q4 Demonstrate how you'll ensure your work is relevant to others*

Describe how you propose to collaborate with other councils in the development and delivery of shareable user research, benefits research and proposals to develop solutions in this phase of work.

[max 200 words]

Q5 Impacts expected from funding*

Describe the outputs you expect to produce, making sure to mention the 3 required project outputs. Explain how you'll ensure they're ready to share online by the last week of the project.

You must mention:

- *a business case or benefits case that explains the cost of the problem and the potential for savings - both to the councils involved and the nation*
- *a user research report, justifying the project's conclusions*
- *a conclusion proposing what product or service you should develop in an 'alpha' project to solve the problem(s) you've identified in your research. This may include a first draft 'to be' user journey map. If the problem turned out to be different from or more complex than imagined, the conclusion should outline the need for more work in a new discovery project, or a recommendation that this work will not continue.*

[max 400 words]

Q6 User research and engagement*

Who are your users, how will you engage with them in the discovery phase and what are the proposed user research objectives?



[max 400 words]

Q7 Training requests

We will offer successful applications up to 5 individual places from the below GDS Academy course list, or 3 individual places and 1 ‘agile for teams’ course. Use this section to select which courses you most need to ensure your project is a success. Select the courses in order of priority.

We will insert the final menu at localdigital.gov.uk once confirmed after analysing expressions of interest

Q8 Additional support requirements for the project

Please use this section to mention any other support you would like us to provide above and beyond the award of grant funding, e.g. support from the Local Digital Collaboration Unit or support accessing the digital marketplace to secure specialist support. We can’t guarantee that we can fulfil your request, but we’ll try. We will use the answer you give in our evaluation of your bid.

[max 200 words]

Q9 History of funding

Use this box to state that you have not been granted funding for this project in the past. Use the space below to provide information about any funding you have previously applied for to fund this project.

[max 200 words]

Q10 Delivery of required outputs

Use this box to state that you commit to delivering the outputs listed in prospectus point 21 by the deadline of [insert alpha deadline]. Where fund beneficiaries have not submitted satisfactory outputs, advice will be given on what must improve to remain eligible for the next round of funding by a new deadline.

We understand and accept the above terms of payment

Q11 Team resources and your contribution to the project*

Outline the resource required to deliver this project in the table below, listing both those for which you’re applying for funding and those your organisation(s) will contribute. Lead applicants will be expected to adequately resource funded projects, ensuring that external support is procured on time, and all collaborators have budgeted the necessary time and money to make the project a success.

Resource	Quantity required	Total cost/value for this application	Who will pay	% of total project cost
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<i>e.g. user researcher</i>	<i>8 weeks</i>			
Total funding requested of MHCLG:				
Total funding contributed by applicants:				

Please select this box to guarantee that all outputs of this project will be published under open license with a view to any organisation accessing, using or adopting them freely.

By checking this box, we declare that our organisations have submitted the Local Digital Declaration sign-up form, and we understand that our application will not be considered unless our leaders have verified our commitments by verifying our applications by the time our application is reviewed.



ANNEX B2. LOCAL DIGITAL FUND (APPLICATION TEMPLATE FOR AN ALPHA PROJECT)

In the second phase, you'll be encouraged to submit joint applications for funding, and we'll ask for a little more detail with which to make our final decision. This is what we'll ask in the full online application form. We will only open this form when we've matched up phase 1 applicants.

* We retain the right to publish any information in the sections of the form marked with an asterisk to our website to help maximise collaboration and support for each project.

Lead authority*		
Partners involved*		
Section 151 Officer sign-off (e.g. Finance Director)	Full Name	
	Email address	
	Signature	
Lead applicant details	Name	
	Role	
	Contact email	
	Contact phone number	
Senior responsible officer who commits lead organisation to the project	Name & Role	Email to send verification email
Senior responsible officer who is supporting partner public sector organisation to the project	Name & Role	Email to send verification email
Q1 Problem statement*		
<p><i>What is the problem you are seeking to address in the alpha phase and what are your main objectives for this project? In addition, you should outline the scope of the prototype or product you want to build or iterate to make it shareable and simple for others to adopt, how you'll measure success and what a successful outcome would look like.</i></p>		



[max 400 words]

Q2 How you will approach the problem*

Tell us how you plan to deliver this project, mentioning:

- *essential events or milestones*
- *whether you'll do everything in-house or appoint an external company to lead the project*
- *how you'll measure whether your objectives have been met*
- *how you'll deliver polished, publishable outputs - including those listed in the prospectus as required - by [insert end date of funding for alphas]*

[max 400 words]

Q3 Evidence of a completed discovery*

Summarise your discovery phase findings and how they demonstrate that the solution or service you're looking to develop better meets user needs compared with what's currently available and/or how it will be better value for money. You may include URLs to findings and benefits cases developed in the last phase of the project as additional words. For applications to pattern a solution built for one local authority, this section should describe why this particular solution has been chosen.

[max 400 words]

Q4 Demonstrate how you'll ensure your work is relevant to others*

Describe how you propose to collaborate with other councils in the development and delivery of shareable user research, benefits research and shearable solution in this phase of work.

[max 200 words]

Q5 Impacts expected from funding*

Describe the outputs you expect to produce, making sure to mention the 4 required project outputs. Explain how you'll ensure they're ready to share online by the last week of the project.

You must mention:

- *a business case or benefits case that explains the cost of the problem and the potential for savings that the solution you've designed could realise - both to the councils involved and to the nation if rolled out nationally*
- *a user research report, justifying why the product is designed the way it is*
- *an accessible product that shows others how to implement your solution. It could be a user experience demo or design pattern (see [Verify Local examples](#)), a data model (see [Waste standard example](#)), or a set of instructions*
- *a conclusion proposing what product or service you should develop in an 'beta' project. This may include a 'to be' user journey map or a first draft prototype. If the problem turned out to be different or more complex than imagined, the conclusion should outline*



the need for more work in a new discovery or alpha project, or a recommendation that this work will not continue.

[max 400 words]

Q6 Benefits to the local government sector*

Describe the quantitative and qualitative benefits of this project; e.g. transactional costs, parts of service where money or time are being wasted, and how this project will deliver sharable outputs such as user research, service design patterns, proposed standards and/or products.

[max 400 words]

Q7 User research and engagement*

Who are your users, how will you engage with them in the alpha phase and what are the proposed user research objectives?

[max 400 words]

Q8 Training requests

We will offer successful applications up to 5 individual places from the below GDS Academy course list, or 3 individual places and 1 'agile for teams' course. Use this section to select which courses you most need to ensure your project is successful. Select the courses in order or priority.

We will insert the final menu at localdigital.gov.uk once confirmed after analysing expressions of interest

Q9 Additional support requirements for the project

Please use this section to mention any other support you would like us to provide above and beyond the award of grant funding, e.g. support from the Local Digital Collaboration Unit or support accessing the digital marketplace to secure specialist support. We can't guarantee that we can fulfil your request, but we'll try. We will use the answer you give in our evaluation of your bid.

[max 200 words]

Q10 History of funding

Use this box to state that you have not been granted funding for this phase of the project in the past. Use the space below to provide information about any funding you have previously applied for to fund this project, or funding you received to support previous stages of development.

[max 200 words]



Q11 Delivery of required outputs

Use this box to state that you commit to delivering the outputs listed in prospectus point 24 by the deadline of [insert alpha deadline]. Where fund beneficiaries have not submitted satisfactory outputs, advice will be given on what must improve to remain eligible for the next round of funding by a new deadline.

We understand and accept the above terms of payment

Q12 Team resources and your contribution to the project*

Outline the resource required to deliver this project in the table below, listing both those for which you're applying for funding and those your organisation(s) will contribute. Lead applicants will be expected to adequately resource funded projects, ensuring that external support is procured on time, and all collaborators have budgeted the necessary time and money to make the project a success.

Resource	Quantity required	Total cost/value for this application	Who will pay	% of total project cost
<i>e.g. user researcher</i>	<i>8 weeks</i>			
Total funding requested of MHCLG:				
Total funding contributed by applicants:				

Please select this box to guarantee that all outputs of this project will be published under open license with a view to any organisation accessing, using or adopting them freely.

By checking this box, we declare that our organisations have submitted the Local Digital Declaration sign-up form, and we understand that our application will not be considered unless our leaders have verified our commitments by verifying our applications by the time our application is reviewed.



ANNEX C. LOCAL DIGITAL FUND ASSESSMENT CRITERIA

Qualification checklist <i>All of the below responses must be 'yes' to qualify for this fund.</i>	
All applicant organisations have signed declaration	Y/N
Proposal aims to improve a local public service delivered by more than 20 organisations	Y/N
Budget demonstrates that applicants will adequately resource projects beyond the contribution asked of MHCLG	Y/N
Application demonstrates that at least 2 local authorities will be involved in informing the outputs of the funded project	Y/N
Confirmation of support received via verification link from service owner, chief digital, data or technology officer, chief executive, CFO or equivalent from at least 2 applicant organisations, and verification from section 151 officer of lead applicant organisation	Y/N

Assessment Criteria	Score weighting
Proposals must demonstrate how they meet the principles outlined in the Local Digital Declaration: https://localdigital.gov.uk/declaration/	15
Proposals must demonstrate the potential for annual cost savings or cost avoidance for the local public sector	20
Demonstrate the potential for improved experience or outcomes for service users or operators	10
Likelihood of using agile principles, especially 'working in the open' during project delivery	10
Ability to deliver shareable collateral/outputs e.g. user research, service design patterns, standards, guidance, business cases, or other digital products	15
For alphas, likelihood of a speedy wider adoption of the solution being proposed - OR - For discoveries, likelihood of your discovery benefitting as many others organisations as possible	15
Likelihood of procuring and delivering to schedule	15