Local Digital Fund Prospectus

Continuous Funding Process - 2020/21

Supporting local government collaboration, learning and digital innovation projects

September 2020
Ministry of Housing, Communities & Local Government

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 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 and support any future bid by MHCLG to the Spending Review process

   • use funding as an incentive for councils to do the work needed to develop standards, and other reusable assets (e.g. service design patterns, user research, code, open 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 IT and service delivery community, helping them better drive the move towards interoperable local digital services, helping them to learn by doing GDS-style service design and sharing lessons learnt openly

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5. The resource funding was announced in a [speech by Local Government Minister Rishi Sunak MP at the Local Government Association Annual Conference 2018](#) The funding supports delivery of the whole programme; and this prospectus focuses on how to seek funding to progress existing collaborative projects.

LOCAL DIGITAL FUND - CONTINUOUS FUNDING APPROACH

Overview

6. The purpose of this prospectus is to outline the funding process to support existing collaborative project**s** that have been funded through MHCLG's Local Digital Fund. In this Continuous Funding Model, funding is not limited to specific time-bound rounds or dates; the model aims to complement the delivery pace of individual projects to support project momentum and the cohesion of project teams. A separate [LocalDigital Fund Prospectus](#) exists, which details the open application process through which new projects can apply to the Fund.

Who can apply?

7. Only existing projects are eligible for further funding via the continuous funding process. Existing project teams are invited to submit a proposal for further funding once they have completed a delivery phase, and have met the measures of progress established by the project team and key MHCLG contact. All proposals will need to be developed or contributed to by one lead authority and at least two partner authorities.

8. Private and third sector organisations (on their own or in partnership with local authorities) are not invited to submit proposals, even if they have been involved in a previous delivery phase. A lead authority can commission these organisations to work with them to deliver the project.

9. While lead applicants must be an English local authority, partnering applicants can be local authorities from elsewhere in the UK.

10. All applicants (and their local authority partners) must have signed the [Local Digital Declaration](#) and agree to deliver the project in line with the Declaration principles (see point 28) support.

11. Funding will be transferred to the lead local authority. Awards will be made via Section 31 of the Local Government Act 2003.

Continuous Funding Process

12. Projects must work with their MHCLG contact to establish realistic but ambitious measures of progress (guided by 'SMART' criteria as much as possible), ideally at the start of a delivery phase. These measures will inform when one phase is considered to be complete and therefore when a project is ready to advance to the next delivery phase.

13. If a project cannot evidence the necessary progress, it will not be considered further funding. Mitigating circumstances will be taken into account when making this decision.

14. If considered ready to advance, the collaborative project will be formally invited to submit a detailed project proposal for further funding. The project proposal will be reviewed alongside outputs from previous delivery phases. The MHCLG Local Digital Collaboration Unit team will raise any objections or issues that need clarifying. If significant objections to the proposed project plans are made, the project team will be required to revise and submit the proposal.

15. If the project proposal is accepted, representatives of the project team will be invited to interview to elaborate on their plans. The final decision to award funds will be made after the interview.

16. Diagramme 1: Process map of the Continuous Funding Process
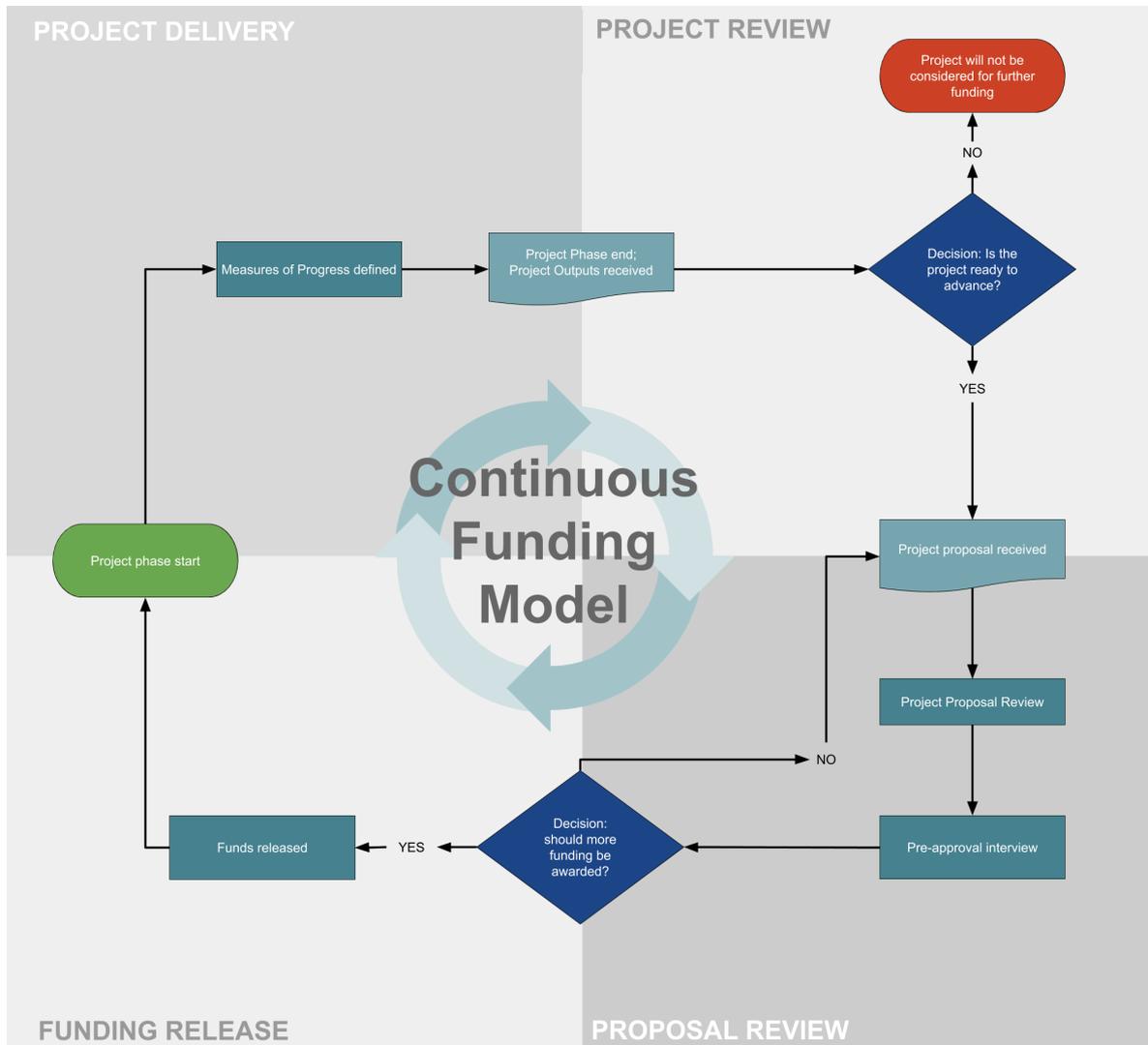
17. At the proposal review stage the outputs from the previous project phase and the proposal for the forthcoming project phase will be assessed together to determine whether further funding should be awarded. The decisions will be made using the Assessment Criteria which can be found in Annex A, which are derived heavily from the principles of the Local Digital Declaration.

Funding streams available

18. Local authorities will be invited to apply for funding to further develop already funded projects in alpha or beta stages of development.

19. Successful projects will be fully funded in principle, however payments will be processed in tranches, a maximum payment of £150,000 will be processed at any one time. For example Project A is awarded £350,000, an initial payment of £150,000 will be processed to the lead authority, further (and remaining) payments will only be released once certain **milestones** have been achieved. The criteria for meeting milestones should be defined and agreed by the Collaboration Manager and project lead at the start of the project.

20. Where projects are not considered to have made the expected progress, or where project proposals are not considered suitable for further funding, MHCLG reserves the right to discontinue project funding.

1. Beta (building and refining options) funding and required deliverables

21. Beta projects are where you take the idea you have evidenced the best from your local digital funded alpha (see paragraph 29) and start building it for real. It also involves thinking about how your service will integrate with (or start to replace) existing services and preparing for the transition to live.

22. The beta phase will also require fund recipients to develop a clear plan about how they propose to scale their product more widely across the sector, enabling other local authorities to use the outputs of the project to solve their common problems. This might range from open sourcing the service design pattern and code with detailed guidance about how to implement the services through to drawing up proposals for a multi-tenant Software as a Service (SaaS) solution.

23. Structure your beta phase so you can roll out the service to real users - while minimising risk and maximising the potential to learn and iterate the service.

    Make sure the project team has the capacity to sustain that learning and iteration throughout the beta period and beyond

24. We will offer up to a maximum of £350,000 for applicants who want to carry out a beta project. Beta funding payments will be staggered into 2 or 3 separate payments , funding will be released as projects make progress through this delivery stage. Beta projects must 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 developed could realise - both to the councils involved and if rolled out nationally
    2. An updated user research report, justifying why the product or service is designed the way it is
    3. An accessible product or service with evidence of iterative user testing that could be used across multiple local authorities
    4. Guidance on how other local authorities could access or implement your product or service; this could take the form of a set of instructions, design

       pattern, playbook, data standard, open code or solution (see GOV.UK
Prototype Kit code and guidance)

5. A conclusion proposing what product or service should be developed in a 'live' project, including evidence regarding the technical, operational and commercial considerations that support scaling/re-use.

6. Where appropriate an application for additional funding from the Local Digital Fund to progress the project

All outputs will be published on our website and should be designed to be easy to read, accessible and in the case of a beta, functioning and available to demo or test.

MHCLG as a partner

25. Funded projects will be partnered with a Collaboration Manager from the MHCLG Local Digital Collaboration Unit (LDCU). The Collaboration Manager is available to provide support and guidance to projects and provide a link to MHCLG.

26. Projects may also be asked to work with the LDCU to develop the wider benefits case for the sector and support delivering the ambition of the Local Digital Declaration.

Further information

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

28. Local authorities wishing to join the 200+ local authorities and public sector bodies who have already signed the Local Digital Declaration can do this online at https://localdigital.gov.uk/sign/.

ANNEX A. LOCAL DIGITAL FUND ASSESSMENT CRITERIA

The assessment criteria below are based on the principles outlined in the Local Digital Declaration. By completing an application into the fund, each collaborative project proposal will need to evidence how its team and project will work to meet these criteria.

We will assess applications on the following basis:

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1. Solve common problems

The problem should be applicable to multiple authorities[1]. The problem should also be appropriate in relation to the phase of the project, the time available, identified risks and any other related work in the sector.

The defined problem should demonstrate an understanding of how the current market, tools and products are addressing user needs in the context of your project.

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2. Focus on and involvement of users

The problem should be solving a problem for a user. Demonstrate the potential for, or evidence of, improvements for service users and/or operators' experience of the service, through evidence of user research and testing.

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3. The right team and an approach to work collaboratively

The proposed team should have the right skills and experience appropriate to the phase of the project. The team should consider how they are going to work together, especially when they may be geographically dispersed. They should also consider governance and how they will ensure engagement from senior stakeholders and subject matter experts.

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4. The plan

The project should have an appropriate plan in place for the project, taking into consideration the agile principles and work in any previous phases of the project. This should cover the methodology and resources, both financial and human, providing a clear breakdown of how the funding from MHCLG and other contributions will be spent.

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5. Share learnings and outputs

The project should have a plan for how they will share progress, learnings and products with stakeholders and the sector to help build wider engagement and understanding, to determine the likelihood of wider adoption and scalability of the proposed solutions.

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[1] Proposals must aim to improve a local public service that is delivered by more than 20 organisations. Showing the baseline scaling potential.

Consideration should also be given to how the learnings and products can be reused and contributed to by others beyond the end of the project.

6. The potential level of savings for the sector

Covering both the potential social and financial benefits, including forecasting return on investment and the potential when scaled across the collaborative partnership and nationally.

The granularity and confidence in the evidence for these benefits should increase as the project progresses through the agile phases of development.

ANNEX B. GLOSSARY OF TERMS

Lead authority	The local authority which takes the responsibility for leading the project through to completion. This tends to also be the authority which instigates the project but might not necessarily be the case. This authority must have signed the Local Digital Declaration before funding can be awarded to the project.
Partner authorities	The local authorities which are actively involved in developing the project. These authorities will be listed on the application form and must have signed the Local Digital Declaration before funding can be awarded to the project.
Project lead	The person from the Lead authority who is personally takes responsibility for leading the project through to completion.
Local Digital Declaration	The Local Digital Declaration is a shared ambition for the future of local public services written in 2018 by a collective of 45 local authorities, sector bodies and government departments.
Round of funding	A distinct period of time when the Local Digital Fund is open for funding applications.
Discovery	Exploring the problem. The government service manual provides a useful reference point for how the discovery phase works.

Alpha	Testing options with hypothesis. The government service manual provides a useful reference point for [how the alpha phase works](#).
Beta	Building and refining options. The government service manual provides a useful reference point for [how the beta phase works](#).
MHCLG	The Ministry of Housing, Communities & Local Government (MHCLG) job is to create great places to live and work, and to give more power to local people to shape what happens in their area.
LDCU	Local Digital Collaboration Unit, the team within the Ministry of Housing, Communities & Local Government created to help the sector deliver on the ambition of the Local Digital Declaration. Supporting collaborative projects and the development of skills and capability within the local digital community.