



Ministry  
of Justice

# Invitation to Application

## MoJ Lawtech Grant

19 October 2022



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# Introduction

1. This document sets out the objectives and core principles for funding for a second phase of government support aimed at accelerating innovation within the legal services sector - and the growth of lawtech - in the UK. The funding will also help support the UK's position as a world-leading destination for legal services by promoting English and Welsh law as the law of choice in relation to emerging technologies.
2. This new funding seeks to build on and continue the progress made to date by the LawtechUK programme. The programme was established in 2019 by Tech Nation (a growth platform helping to accelerate and scale start-ups) using a £2m grant from the Ministry of Justice (MoJ) to support lawtech and the digital transformation of the UK legal sector.
3. We are now seeking an organisation to take forward work under the second phase of funding. This document sets out our application process and provides all relevant information required for developing your application, including the background and purpose of the grant, timings and financial basis for the grant.
4. Applicants should regularly review updates to the online competition guidance page. This will be updated with any additional information provided by the MoJ in response to questions raised by prospective applicants.
5. We look forward to receiving your application.

## Overview

6. The MoJ intends to provide grant funding to one applicant or one consortium of applicants within the budget of up to £3.016m over 2 years. The final selection of the grant recipient will be made by an expert evaluation panel appointed by MoJ, using the evaluation criteria in this document.
7. There is no requirement to continue with specific programmes that the current arrangements fund. We are interested to hear about new and innovative approaches to delivering the objectives set out below.
8. We expect the grant agreement to be signed and activities to commence in April 2023 and to finish in March 2025. Please note that the grant will be paid monthly in arrears. Grants cannot be paid for any work undertaken prior to the commencement date set out in the grant agreement. A detailed timeline is at page 7 below.

# Background

## What is lawtech?

9. 'Lawtech' describes technologies which aim to support, supplement or replace traditional methods for the delivery of legal services. Examples include firms moving from paper to digital contracts or using technology to create court bundles automatically, or artificial intelligence tools which help consumers to understand and take action on legal issues online. Lawtech is already transforming the legal sector and holds the potential to revolutionise the delivery of legal services, providing new ways of meeting legal needs and boosting economic growth. There is a growing global market for lawtech (worth \$19bn in 2019) and an opportunity for the UK to be a world leader in this area.
10. The MoJ sees the growth of lawtech and innovation in the delivery of legal services as vital to a flourishing legal sector and to ensuring that UK legal services remain a leading choice for international business.

## Opportunities

11. Lawtech has enormous potential to fundamentally improve the provision of legal services in the UK, through greater efficiency, enabling new ways of delivering legal services and being more responsive to users' needs. The objectives for this phase of funding recognise this and place a new emphasis on how lawtech can help address unmet legal need. Questions we are interested in include:
  - How can lawtech help legal services to work better for individuals and consumers?
  - How can it increase access to advice and the ability to engage with justice system?
  - How can we connect individuals with innovative services that help them solve their legal issues?
12. Our vision for the future is of a tech-enabled sector, which meets user and business needs and is internationally competitive. Many factors must be in place in order to achieve this vision including a thriving lawtech sector, effective dispute resolution, appropriate use of justice data and transparency, and English law which is the foundation for emerging technologies.
13. This vision will be dependent on collaboration across many parties, including universities, regulators, law firms, legal service businesses, in-house lawyers,

communities (e.g. Legal Geek) and incubators and accelerators. The successful provider will work collaboratively with as many of these stakeholders as possible to source the best ideas when developing their approach to achieving the objectives.

## **Advisory Panel**

14. The first phase of the programme has been supported by the LawtechUK Panel, which provides oversight and expert advice. The Panel was formed in July 2018 as an industry-led, government-supported initiative to support the use of technology in the legal sector. The Panel aims to provide leadership and direction to the sector and create an environment where innovation and new technology can thrive.
15. The Panel membership comprises leaders from the public and private sectors with expertise across the law and technology, including Christina Blacklaws (former President of the Law Society and the panel Chair), Sir Geoffrey Vos (the Master of the Rolls), Professor Richard Susskind and Professor Sarah Green. They meet quarterly.
16. The Master of the Rolls also chairs the Panel's UK Jurisdiction Taskforce (UKJT). The UKJT is focused on providing authoritative guidance on areas of legal uncertainty or challenge relating to technology. Previous outputs include the Legal statement on cryptoassets and smart contracts, published in 2019, and the Digital Dispute Resolution Rules, published in 2021. Both products are promoted and hosted on the LawtechUK website.
17. The Panel acts as an advisory board to the LawtechUK programme, supporting the development of the delivery plans and the running of the projects/programme. The successful applicant will be expected to consult the Panel on the development of delivery plans and on issues of strategic approach.

## Purpose of the Grant

18. The recipient will aim to:

- Help develop a culture of innovation within the legal services sector;
- Increase understanding of the benefits of lawtech in legal service providers of all sizes;
- Support the development of technology which will increase access to legal services and aim to reduce unmet legal need; and
- Help grow the legal sector's economic contribution.

19. The grant objectives are to:

- Increase innovation and the adoption of lawtech in the delivery of UK legal services.
- Support the growth of the lawtech sector in the UK.
- Enable English and Welsh law and the UK's jurisdictions to become the foundation for emerging technologies, by supporting and promoting the UK Jurisdiction Taskforce's work.

20. The objectives of the funding have been designed to support wider MoJ objectives, including increasing access to legal services and reducing unmet legal need, as well as supporting the development and uptake of lawtech and helping grow the legal sector's economic value.

## Timetable

Publish Invitation to Apply	19 October 2022
Deadline for clarification questions from Applicants	14 November 2022
Deadline for MoJ to publish responses to clarification questions	21 November 2022
Deadline for submission of applications	13 December 2022
Evaluation of Applications	14 December 2022 to 13 January 2023
Award notification	17 February 2023
Funding start date	1 April 2023

21. The proposed timetable is only a guideline. The MoJ may make any changes it deems necessary to the proposed timetable.



## Planned Delivery Outcomes

22. The benefits and outcomes to be derived from the funding will ultimately depend on the delivery plans to be developed by the grant recipient which will describe how the recipient will use the grant funding to meet the grant objectives.
23. Programme and project benefits will need to be defined as part of the delivery plan process for financial years 23/24 and 24/25. These benefits will need to be in line with the objectives of the grant. MoJ expects that each delivery plan will take into account emerging issues facing the UK lawtech sector at the point that the delivery plan is in development. Each delivery plan will include clear and defined outputs relating to the programme against which progress will be tracked and monitored by the MoJ using KPIs and other performance management tools.
24. We expect applicants to indicate examples of the types of projects they intend to deliver to meet the objectives and the process by which they will undertake them in their applications.
25. A delivery plan for the 2023/24 financial year will be agreed with the MoJ by 15 May 2023 before grant funding is allocated for any projects, with a subsequent delivery plan to be agreed prior to the start of the 2024/25 financial year.

## Eligibility

26. Applicants may take the form of sole legal entities or may wish to combine to form consortia, joint ventures (JVs), unincorporated associations or partnerships. This may, for example, apply to entities who feel that alone they do not have the capacity or capability to address the size and scale of the objectives. Applicants are responsible for determining the most appropriate approach to delivering their proposal.
27. Specific eligibility criteria for the competition are below:
- a) Applicant(s) must be registered corporate entities and have a significant UK presence.
  - b) Public sector organisations are not eligible to receive this funding.
  - c) Individual people are not eligible applicants.
  - d) All awards will be made subject to successful due diligence checks. Such checks will include a review of financial statements to ensure financial viability, a review of proposed governance structures, adverse media checks and legal entity checks. MoJ reserves the right to take account of other factors that have a bearing on an applicant's suitability.
28. The following additional guidance applies to applicants who put forward a joint approach:
- a) A Lead Partner that shall submit an application on behalf of all parties to the JV/consortium must be identified. The Lead Partner shall be responsible for all communication with the MoJ during the competition process. The Lead Partner will be the prime recipient of grant funding and will be responsible for managing the consortium's activities and for allocation of grant funding to other consortium members.
  - b) As part of their application, the applicant must submit a structure diagram identifying the roles and relationships between the Partners including all relevant companies, their respective parent or ultimate holding companies. The structure should make clear who will be responsible for delivery of the funded activities and ensure that, as a minimum, the legal obligations and liabilities of the applicant are borne by an entity or entities which satisfy the financial and economic requirements set out in the ITA. Where the group is proposing to create a separate legal entity, such as a special purpose vehicle (SPV), they should provide details of the actual or proposed

percentage shareholding of the constituent members within the new entity and details of its legal and operational structure.

- c) The applicant must submit written confirmation from each Partner that they authorise the Lead Partner organisation to act on their behalf in relation to this grant application.
- d) If awarded a grant, unless otherwise stated in your application, each of the Partners shall be jointly and severally responsible for the due performance of any grant agreement.
- e) Applicants must advise the MoJ if there is any change to their legal status and/or composition during the competition and the MoJ may disqualify applicants where material changes occur.

29. The applicant must submit only one application for grant funding. Individual organisations are not permitted to apply as part of more than one consortium.

## Applicant Specification

30. The applicant must provide a convincing vision through which to deliver the grant objectives. This will include demonstrating knowledge of the UK legal sector in terms of the challenges and opportunities that exist and have the potential to be impacted by technology. The applicant will also have a track record in project delivery and an ability to effectively deliver a programme from beginning to end. The following capabilities will be required:
- a) Organisational accounting capabilities to administer the grant funding and build clear financial forecasts as part of delivery plans
  - b) Experience in convening and co-ordinating a wide range of stakeholders and the ability to provide a credible leadership voice and build momentum behind a not-for-profit initiative, ideally demonstrating the ability to take a UK-wide approach
  - c) Experience of working with and co-ordinating external experts/expertise
  - d) An enthusiasm for innovation in legal services and its potential to transform the sector, alongside a positive ethos to drive change in the industry
  - e) A strong understanding of government objectives in relation to the UK's wider economy and improving the delivery of and access to legal services
  - f) Access to established networks in the UK legal and tech sectors that will be relevant to the vision for delivering the programme.
31. Established expertise and knowledge of the UK lawtech sector is also desirable. As one aspect of the programme is promotion in respect to the UK lawtech sector, applicants will either need to have in house marketing and PR capabilities able to deliver to a high standard or demonstrate a plan to access such capabilities. Proven experience of delivering a high profile, national or international programme or project would be beneficial as would demonstrable experience of supporting start-ups / scale-ups through mentoring or other kinds of support.
32. Access to an existing team with the capabilities needed to deliver the vision articulated by the applicant is highly desirable in order to reduce the impact of any delays caused by requirement to hire new staff. The following are also desirable as part of an application:
- a) Experience in delivering government grant programmes with evidenced high impact outcomes

- b) Expertise and knowledge of how tech sectors grow (e.g. experience running a sandbox programme) and awareness of challenges faced in achieving such growth
- c) Expertise and knowledge of lawtech sectors internationally
- d) Experience in fintech or other related tech sectors
- e) A key expectation of the recipient will be to identify and work with initiatives already taking place within the sector that have elements of cross over with the grant objectives and to target support for the sector in areas where the programme can make most impact.

## Application and Assessment

33. The Applicant or Consortium Lead Partner must submit the following mandatory documents:

- a) The Application Form, with all questions answered, within the word count. You must also complete the Summary Information section, Mandatory Checklist, and the Authorisation section.
- b) Due Diligence Form, this will be used to aid MoJ's due diligence process.
- c) Financial Projection Template, this document is used to understand projected costs and will factor into considerations regarding the overall credibility of the application.
- d) Written confirmation from each partner that the lead partner can act on their behalf (if applicable)
- e) Consortium Structure Diagram (if applicable).

34. Applicants may also choose to apply through the Apply for a Grant service. Further instructions on how to do so are available on the [online competition guidance page](#).

## Evaluation Criteria

Section	Weighting (%)	Description
A. Project vision	10	<p>This section is for applicants to demonstrate suitable ambition and credibility in terms of how the funding will achieve the grant objectives.</p> <p>Applications should set out a clear and compelling vision of how the funding will help develop a culture of innovation within the legal services sector; increase understanding of the benefits of lawtech in legal service providers of all sizes; support the development of technology which will increase access to legal services and aim to reduce unmet legal need; and help grow the legal sector's economic contribution.</p>
B. Project plan	30	<p>This section is for applicants to demonstrate that they have credible plans for delivery and the ability to meet all the grant objectives.</p> <p>Applications should evidence that the project plan has been thought through and that they have a robust approach to governing the project and managing risks.</p> <p>Applications should provide a clear description of how initial activities will commence and should detail the process for setting up the project.</p>
C. Project activities	10	<p>This section is for applicants to provide examples of the types of activities they would expect to deliver to achieve the funding's objectives.</p> <p>Applications should provide a clear description of the potential projects, stating their expected outcomes and outputs. The description should</p>

		<p>summarise the expected benefits and plans for measuring and monitoring them.</p> <p>Actual delivery will be subject to delivery plans agreed with the Ministry of Justice as described in the Invitation to Application</p>
D. Capability and experience	40	<p>This section is for applicants to demonstrate that the organisation has sufficient technical skills and experience.</p> <p>Where applicable, applications should provide a clear overview of the consortium partner organisations and their roles.</p>
E. Finance	10	<p>This section is for applicants to give an initial view of how they would plan to allocate the funding and demonstrate confidence that financial management and control of the consortium will deliver good value for money.</p> <p>This will be subject to revision in the development of the first delivery plan for the programme.</p>

Score	Quality	Description
0	No Evidence	No evidence provided that the application meets the requirement. No confidence that the applicant can meet the requirement.
1	Minimal response	Limited evidence to support that the application meets the requirement, and a low level of confidence that the applicant can meet the requirement.
2	Acceptable response	Acceptable evidence provided to support that the application meets most of the requirement and a medium level of confidence that the applicant can meet the requirement.



3	Good response	Good evidence to support that the application meets all material aspects of the requirement and a high level of confidence that the applicant can meet the requirement.
4	Excellent response	Comprehensive evidence provided to support that the application fully meets all aspects of the requirement, and a very high level of confidence that the applicant can meet the

35. Bids shall be evaluated against the Evaluation Criteria as set out in this ITA. Bidders must provide answers to the relevant section. For weighted technical and quality elements, the following scoring methodology shall be applicable.

## Assessment Process

36. Applications shall be evaluated by a panel appointed by MoJ. Each panel member shall undertake an independent evaluation. Once complete, a moderation meeting shall be held where the panel shall reach a consensus on the results.
37. The initial eligibility checks will be undertaken on all applications against the scope, funding, and eligibility requirements. If an application passes the sift, it will progress to evaluation and will be scored against the evaluation criteria and then ranked based on total score.
38. In the event that two or more applicants receive the same score, priority will be given to sections D, B and A, in that order.

## Subsidy Control

39. Before awarding the grant, MoJ will need to ensure that the grant is compatible with all subsidy control requirements which are in force. This will include the requirements in the new Subsidy Control Act 2022 if it is in force at the time. If MoJ is not able to satisfy itself that the grant is compatible with its legal obligations, it will not award the grant.

## Project Costs

The grant funding provided will be as follows:

Financial Year	Value
2023/24	£1,458,000
2024/25	£1,558,000

40. The recipient will be required to fund, from this overall allocation, an independent evaluation of the success of the grant funding against the objectives towards the end of the funding period.
41. Applicants will need to demonstrate that they have credible plans for developing an initial delivery plan. Applications should describe a robust approach to governing the project and managing risks. Use of examples would be helpful. Applications should provide a clear description of how initial activities will commence and should detail the process for setting up the project.
42. MoJ will own all IPR that is generated using the grant funding.

## TUPE

43. The attention of applicants is drawn to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”). There is currently a team employed by the current recipient of grant funding but the MoJ does not believe TUPE applies to this grant if the current recipient is not the successful applicant. It is your responsibility to consider whether TUPE applies in the specific circumstances of your application and to apply accordingly.

## Annex 1 - LawtechUK Phase I

For reference: objectives for phase I of LawtechUK:

- a) Promote the use of English law and UK jurisdiction as a foundation for Lawtech globally.
- b) Enhance the competitiveness of the UK as a global Commercial Dispute Resolution centre.
- c) Ensure understanding, awareness and use of Lawtech.
- d) Encourage investment and innovation in Lawtech.
- e) Establish an appropriate and flexible ethical and regulatory basis for Lawtech.

Key outputs from phase I:

Lawtech Sandbox – The sandbox provides a virtual environment in which tech businesses, experts and public bodies (including regulators) come together to innovate and fast track transformative ideas, products and services that address the legal needs of businesses and society. The sandbox includes the Regulatory Response Unit, which brings together relevant regulators into a single, fast response forum, to make it easy for companies to access and navigate the rules and move forward with confidence, especially where their products touch on more than one regulatory regime. The Sandbox and Regulatory Response Unit have helped accelerate the growth of several lawtech start-ups. The sandbox has run 2 cohorts of businesses to date, providing direct support to a total of 13 lawtech companies.

Smart Contracts – A smart contract is a contract where the terms of the agreement are either fully or partly written in computer code and are automated or self-executing. The UK Jurisdiction Taskforce (UKJT) published its Digital Dispute Resolution Rules in May 2021 to facilitate rapid and cost-effective resolution of commercial disputes involving smart contracts. Following on from this, LawtechUK and the UKJT published their Smarter Contracts report in February 2022, which included a range of case studies to demonstrate why smarter, technology-enabled ways of contracting add value and how broadly the technology can be used. This followed a Law Commission report on the legal status of smart legal contracts, which concluded that the current legal framework of England and Wales can already facilitate and support the use of smart legal contracts.

Online Hub – There is a critical lack of digital skills and technological awareness within the legal profession which is acting as a barrier to the adoption of lawtech. To address this,

LawtechUK developed an Online Hub which contains resources and training, including six bitesize courses for legal professionals on key technologies, such as Artificial Intelligence and Distributed Ledger Technology.

SME Dispute Resolution Platform feasibility study – It is estimated that 70% of SMEs experience disputes, and access to resolution through the courts can be time-consuming and costly. LawtechUK funded a feasibility study for an online dispute resolution platform as an affordable alternative option to the courts for SMEs. Development of the platform itself would need further investment, and it may fall to a different government department or to the private sector to take forward.

## **Annex 2 – Updates to the ITA**

The following changes have been made to this document since its publication on 19 October:

1. The timetable on page 7 has been updated to change the Deadline for submission of applications from 9 December 2022 to 13 December 2022.
2. The timetable on page 7 has been updated to change the start date for Evaluation of Applications from 11 December 2022 to 14 December 2022.





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