



Ministry of Housing,
Communities &
Local Government

Local Digital Fund Prospectus - 2019/20

Supporting local government collaboration, learning and
digital innovation projects



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Introduction	3
Local Digital Fund	4
Overview	4
Who can apply?	4
Assessment criteria	5
Fund timelines	5
Application process	5
Funding streams available	6
1. Discovery (exploring the problem) funding and required deliverables	6
2. Alpha (testing options with hypothesis) funding and required deliverables	6
3. Beta (building and refining options) funding and required deliverables	7
MHCLG as a partner	8
Our wider commitment to digital skills	9
Further information	9
Annex A. Local Digital Fund Assessment Criteria	9
Annex B. Glossary Of Terms	12

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
5. The resource funding announced in a [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. The funding supports delivery of the whole programme and this prospectus focuses on how to seek funding to lead a collaborative project.

6. In the 2018/19 financial year, three rounds of applications were accepted to the fund. A total of 23 projects were successful. A separate discovery project aimed at improving collaboration between local authorities was also commissioned by MHCLG.

Local Digital Fund

Overview

7. 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.
8. 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.
9. Funding will be confirmed for 2019-20 and amounts awarded as proposals move successfully through the bidding process and [Assessment Criteria](#) described in this prospectus.

Who can apply?

10. Local authorities¹ in England are eligible to bid into the fund, noting the funding stream requirements and deliverables outlined in points 22 to 35 and the assessment criteria described in [Annex A](#). All bids will need to be developed or contributed to by 3 or more local authorities.
11. Central government departments are invited to bid as the lead organisation if they can demonstrate input from at least 3 local authorities and all other application criteria are met.
12. Private and third sector organisations (on their own or in partnership with local authorities) are not invited to submit proposals to either of the funding streams. Winning bids can commission these organisations to work with them to deliver the project.
13. While lead applicants must be an English local authority, partnering applicants can be local authorities from elsewhere in the UK.
14. 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 38). Each local authority can submit up to 2 proposals in an open round to lead collaborative projects and can be a partner on as many projects as they can actively support.

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

Assessment criteria

15. 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 can be found in [Annex A](#).

Fund timelines

16.

	Round 2	Round 3	Round 4
Open to	Cohort 1 only	Open to all	Cohort 2 & 3 only
Applications open	17 July 2019	19 August 2019	3 February 2020
Applications close	6 August 2019	16 September 2019	14 February 2020
Panel review	13 or 14 August 2019 (only for shortlisted betas)	9 or 10 October 2019 (only for shortlisted betas)	Week commencing 24 February 2020 (all shortlisted applications)
Awards decision - week commencing ²	19 August 2019	14 October 2019	2 March 2020
Outputs due	31 January 2020	26 March 2020	28 August 2020

Application process

17. Local authorities looking to lead an application into the fund should engage in a pre-application 'Call for partners' phase to canvass support from other local authorities, partner organisations and suppliers to join their application. This process will be self-organising³ with facilitation provided by the Local Digital Collaboration Unit to help share those ideas.

18. Applicants will be expected to robustly demonstrate their readiness to meet the fund assessment criteria outlined in this prospectus and have built a strong core of engaged partner local authorities to work collaboratively with on the proposed project.

19. The application forms will be emailed to qualifying projects individually. .

20. All applications will be published openly on the [Local Digital website](#).

² Award decisions are subject to ministerial approval

³ The [LocalGov Digital Slack community](#), social media channels (including the use of #localdigitalfund), [LocalGov Digital Pipeline](#) and existing communities of practice are some of the existing tools and networks that could be used to support the call for partners process.

21. Shortlisted applications (those that best demonstrate meeting the assessment criteria in [Annex A](#)) will be invited to present their proposals to panel for final review and scrutiny.

Funding streams available

22. Local authorities will be invited to apply for funding to develop projects in [discovery](#), [alpha](#) or [beta](#) stages of development.

1. Discovery (exploring the problem) funding and required deliverables

23. Discovery projects aim to better understand a 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 range of proposals to move the project forward.
24. We are interested in discovery applications that seek to amplify existing work undertaken by one local authority that could be scalable across many. Awarding funding to incentivise local authorities to work collaboratively to build common solutions. This type of discovery might for example look to validate the applicability of existing user research across multiple local authorities and bring a community of interested partners together to work together on a solution to a common service delivery problem.
25. We'll offer up to a maximum of £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
 4. where appropriate, an application for additional funding from the Local Digital Fund to progress the project via further discovery or alpha development
- All outputs will be published on our website and should be designed to be easy to read and accessible.

2. Alpha (testing options with hypothesis) funding and required deliverables

26. Alpha projects aim to build and test something for which we are sure that there is a need. We know that groups of councils and shared services around the country have been working out great solutions to common problems, but perhaps lacked the resources to further validate their user research, test their products with more organisations and document the work for others to use.
27. We'll consider 2 types of Alpha projects:

- a. creating reusable assets (for example 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 users, and either create a toolkit that makes it simple for others to adopt it and/or bring together a committed collaborative team to take the development of the solution forward.
 - b. projects that have produced the discovery outputs listed above (see paragraph 26). At the end of an alpha project, applicants will be able to share user-tested demos that prove that they've designed a great solution to the common problem. This will form part of the evidence for any application for further implementation funding.
28. We'll offer up to a maximum of £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 if rolled out nationally
 - 2. an updated user research report, justifying why the product is designed the way it is
 - 3. an accessible prototype that shows others how to implement. This could take the form of a user experience demo, set of instructions, design pattern (see [Verify Local examples](#)), playbook, data standard (see [Waste standard example](#)), open code or solution.
 - 4. a conclusion proposing what product or service you should develop in a '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.
 - 5. where appropriate, an application for additional funding from the Local Digital Fund to progress the project via further discovery, alpha or beta development.

All outputs will be published on our website and should be designed to be easy to read, accessible and in the case of a prototype, available for others to access and interact with.

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

29. 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.
30. 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.

31. 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

32. We will offer up to a maximum of £350,000 for applicants who want to carry out a beta 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 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

33. 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.
34. 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.

Our wider commitment to digital skills

35. Funded projects will be invited to request additional digital training as part of their Local Digital Fund application. The fund has already provided free training to over 1000 local authority staff, developing user centred service design skills and capability within the sector, supporting the aims of the Local Digital Declaration.

Further information

36. 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/>.
37. 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:

1. Solve common problems

The problem should be applicable to multiple authorities⁴. 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.

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.

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.

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.

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.

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

⁴ Proposals must aim to improve a local public service that is delivered by more than 20 organisations. Showing the baseline scaling potential.

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.
Cohort	<p>This refers to the group of projects which receive funding to undertake collaborative projects from the Local Digital Fund at a particular time.</p> <p>Cohort 1 consisted of 16 funded projects which received funding in Round 1 of the Local Digital Fund in 2018. Cohort 2 and 3 refers to projects which received funding in Rounds 2 and 3 respectively, in 2019.</p>
Discovery	<p>Exploring the problem.</p> <p>The government service manual provides a useful reference point for how the discovery phase works.</p>
Alpha	<p>Testing options with hypothesis.</p> <p>The government service manual provides a useful reference point for how the alpha phase works.</p>
Beta	<p>Building and refining options.</p> <p>The government service manual provides a useful reference point for how the beta phase works.</p>

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.