



Department for Levelling Up,
Housing & Communities



Local Digital Fund Prospectus - Round 6

Supporting local government collaboration, learning and digital innovation projects

October 2022

Department for Levelling Up, Housing and Communities (DLUHC)



Department for Levelling Up,
Housing & Communities



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Introduction

1. On 4 July 2018, the Government made a commitment to help councils transform local digital public services, backed originally by £7.5 million of funding. Since then, the Department for Levelling Up, Housing and Communities (DLUHC)'s Local Digital programme has been awarded additional funding to make local government services safer, more resilient and cheaper to run. The Local Digital programme is currently backed by multi-year funding to the tune of £85 million, with approximately £2.5 million allocated for this round of funding.
2. The Local Digital Fund is intended to support all local authorities to implement the [Local Digital Declaration](#). The declaration sets out our collective ambition for local public services in the internet age. It commits us to working together to:
 - a. design services that best meet the needs of the public
 - b. challenge the technology market to offer the flexible tools and services we need
3. The Local Digital Fund supports projects that address common local service challenges by using reusable digital tools and methodologies.
4. Since it launched in 2018, the Local Digital Fund has funded 44 projects through five rounds of funding. In 2020/21, we also funded 12 additional projects through the [C-19 Challenge](#), a fund to support local authorities with their COVID-19 recovery, and launched a [Continuous Funding Model](#) to support previously funded projects.

Overview

5. The Local Digital Fund aims to support digital service transformation in a collaborative and joined up way that benefits the wider local government sector.
6. In this round, amounts of up to £350,000 will be awarded per project if applications are successful in the bidding process and meet the eligibility and assessment criteria, as defined in [Annex A](#).
7. We want to fund projects that will make local government services safer, more resilient and cheaper to run, and break the dependence on inflexible and expensive technology that doesn't join up effectively. The projects we fund will help us create the next generation of local public services, where services are user-centred and technology is an enabler rather than a barrier to service improvements. You can see [examples of previously funded projects on the Local Digital website](#). We look for projects that:

“Fix the plumbing” of local government

- tackle the big service areas such as housing, revenues and benefits and so on
- support the transition to secure cloud based hosting solutions
- develop more user-centred and efficient alternatives to existing products
- help build, integrate with or scale flexible technology that is easy to use, configure and adapt



Remove the barriers to reusable services

- improve data usability, making it easier to migrate data, to link and match data, and to develop and scale data standards
- create manuals or playbooks and patterns for councils to use
- create and share different approaches, patterns, tools and code

8. Funding will be transferred to the lead applicant organisation via Section 31 of the Local Government Act 2003.

Eligibility and assessment criteria

9. All project applications must meet the following eligibility criteria to be considered for funding:
- a. the lead applicant must be a local authority in England and able to receive Section 31 grant payments. See [Annex C](#) for a definition of local authorities
 - b. the lead applicant and partner councils must be [Local Digital Declaration](#) signatories or become signatories before the application deadline
 - c. each proposal must have a lead council and two other councils listed as partners to be considered for funding

Further information on eligibility criteria is available in [Annex A](#).

10. Project applications will be assessed against strategic fit, deliverability and value for money criteria in [Annex A](#).
11. Once applications have been assessed and moderated, before funding decisions are made we may exercise discretion in order to:
- a. ensure a fair spread of projects across England
 - b. give priority to those proposals that offer the greatest potential for impact and benefits

Timescales and application process

12. The given timescales may be subject to change on short notice.

Applications open	Thursday 13 October 2022
Local Digital funding overview event	Wednesday 19 October 2022 at 11am
Applications close	Thursday 24 November 2022 at 5:30pm
Panel interview (as needed)	Tuesday 6 and Wednesday 7 December 2022
Selected projects announced	Early 2023



13. Template versions of the application forms will be made available to councils from 13 October 2022, via the [Local Digital website](#). The web application forms will be available from 17 October.
14. All applications must be submitted using the web application forms by 5:30pm on 24 November 2022 by a lead authority. No concessions will be made for incomplete or late applications.
15. Applicants will be expected to robustly demonstrate they meet the fund eligibility and assessment criteria outlined in [Annex A](#).
16. Shortlisted applicants may be invited to an interview on 6 or 7 December 2022 for final review and scrutiny. Invitations to interview will be sent by Friday 2 December.

DLUHC as a partner

17. Funded projects will be partnered with a Collaboration Manager from the DLUHC Local Digital team. The Collaboration Manager will provide support and guidance to projects and act as the point of contact with DLUHC.
18. Projects may also be asked to work with the Local Digital team to develop the wider benefits case for the sector and support the programme's ambitions, including promoting the Local Digital Declaration.
19. Projects will be expected to adhere to governance procedures and processes including, but not limited to, data privacy and protection obligations.

Funding streams available

20. Local authorities are invited to apply for funding to develop projects in [discovery](#), [alpha](#) or [beta](#) stages of development.
21. All projects are required to produce outputs outlined in [Annex B: Required deliverables](#). All outputs will be published on the Local Digital website and should be designed to be accessible, easy to read and interact with. Beta project outputs are also required to be functioning and available to demo or test. To support reuse, projects must adopt an appropriate open licence for any outputs.

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

22. Discovery projects aim to better understand a problem area, its cost to taxpayers and its impact on the public. 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.
23. We are interested in discovery applications that explore new problem areas or seek to scale existing work undertaken by another local authority.



24. Funding up to a maximum of £100,000 will be offered for discovery applications.

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

25. Alpha projects aim to build and test something for which there is a proven need. At the end of an alpha project, applicants should have validated their user research, prototyped and tested their products with a number of users and documented the work for others to use.

26. We will consider alpha applications from projects that can provide evidence of a completed discovery. Where this is not available, we will also consider applications for creating reusable assets (for example a shareable pattern) for a solution that has solved a local service problem in line with [Local Digital Declaration](#) principles. The focus of these projects will be to test the assumptions and designs of the existing solution with other users in order to make it simple for others to adopt it.

27. Funding up to a maximum of £180,000 will be offered for alpha applications.

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

28. Beta projects aim to take the best idea from an alpha stage and start building it for real. Applicants should think about how your project outputs will integrate with (or start to replace) existing services and how to prepare for the transition to live.

29. The beta phase should be structured in a way that allows for the built product to be rolled out to real users - while minimising risk and maximising the potential to learn and iterate the service. The project team should have the capacity to sustain that learning and ability to keep iterating throughout the beta period and beyond.

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 the common problem.

31. Funding up to a maximum of £350,000 will be offered for beta applications.

Further information

32. All Local Digital Fund related information will be routinely published and updated on the [Local Digital website](#). We encourage councils to use the #dluhc-local-digital-fund Slack channel in the [LocalGovDigital workspace](#) to share project ideas and ask fund related questions. Alternatively, you can email fund@localdigital.gov.uk.

33. Local authorities wishing to sign the Local Digital Declaration can do this on the [Local Digital website](#).



Further funding for successful projects

34. Funded projects that demonstrate impact and the potential to deliver greater benefits may be invited by DLUHC to apply for further funding via the [Continuous Funding Model](#).

Annex A: Eligibility and assessment criteria

The criteria below will be used to determine whether applications are eligible for the Local Digital Fund. Eligible applications will be assessed in line with the principles outlined in the [Local Digital Declaration](#) and the assessment criteria below.

We want to fund projects that will make local government services safer, more resilient and cheaper to run. We wish to see proposals for projects that break the dependence on inflexible and expensive technology that doesn't join up effectively.

With regards to the size of the problem, these projects can tackle:

- complex systems or infrastructure
- a 'slice' of a problem
- smaller services or issues.

When completing an application, applicants will need to evidence how their team and project will work to meet this criteria.

Eligibility criteria

1. Local authorities in England are eligible to make an application to the fund, noting the funding stream requirements, deliverables and assessment criteria outlined in this Prospectus.

2. Guidance for all other organisations:

- a. Central government departments, third sector organisations, other public sector organisations and local authorities from elsewhere in the UK are not eligible to make an application but can be partners on a project.
- b. Private and third sector organisations (on their own or in partnership with local authorities) are not eligible to make an application. Successful applicants can however commission these organisations to work with them to deliver the project.

3. Lead applicant and partner councils must be Local Digital Declaration signatories or become signatories before the application deadline. The current signatory list and declaration sign up form can be viewed on the [Local Digital website](#).

4. Each local authority can apply to lead, or be a partner on, as many projects as they can actively support.



5. Each application must have a lead council and two other councils listed as partners to be considered for funding. This means that every application needs to have at least three councils contributing to the project.

Assessment criteria

1. Strategic fit.

- a. **Problem statement.** Outline the problem that is to be solved, define your users and beneficiaries, and explain why the problem is relevant to multiple councils. Include evidence from your council, wider local government and the private sector, as appropriate.
- b. **Benefits, outcomes and outputs.** Define the learnings or products the project aims to produce in this project stage and, if different, in the long term. Consider how the learnings and products can be reused and contributed to by others beyond the end of the project. These may include other organisations reusing projects' knowledge and learnings, patterns and tools, products or services, or scaling within the technology systems or product stack.
- c. **Strategic alignment.** The project should aim to make local government services safer, more resilient and/or cheaper to run in the context of the problem area.
- d. **Stakeholder engagement.** The project should identify who the stakeholders are and how the team will share progress, learnings and products with stakeholders and the sector.
- e. **Strategic partnerships (desirable).** The project may consider engaging sector organisations for example Local Government Association (LGA), London Office of Technology and Innovation (LOTI) or government departments, or forming strategic partnerships with them. If reusing existing standards or products, this information should also be provided.

2. Deliverability

- a. **Financial.** The project should be able to outline financial resource and team requirements, provide a breakdown of how the requested funding from DLUHC and other contributions will be spent. If appropriate, provide any evidence of match funding from partner councils or other sources.
- b. **Plan.** The project plan should make reference to the [Agile principles](#), provide information about any work already undertaken, outline how and when the project will be delivered and when project activities will take place.
- c. **Team.** Give an overview of the project team roles, skills and experience required. Specify which are already in place and which are yet to be brought in.
- d. **Governance.** Consider how collaboration will work even if geographically dispersed. Outline your governance structures and how they will ensure engagement from senior stakeholders and small and medium-sized enterprises (SMEs), as appropriate.
- e. **Risk.** Outline the top three risks to the project and your plans to mitigate



these.

- f. **Monitoring and evaluation.** The project should provide details of related performance and benefit monitoring and evaluation data held. This may include an overview of the present situation, failure demand, opportunity for efficiency gains and non-financial benefits. If none exists, provide your approach to collecting these.

3. Value for money

- a. **Return on investment.** Demonstrate the potential level of savings arising from your project, including the current costs and problems with existing technology (if it exists) and any surrounding problems being faced by councils relevant to the project. Provide data or plans on how you will forecast return on investment when scaled across the collaborative partnership and nationally, covering both social and financial benefits.



Annex B: Required deliverables

	Discovery	Alpha	Beta
1. A business case or benefits case that explains the cost of the problem and the solution's potential for savings to the councils involved and if rolled out nationally. The Local Digital team will work with each successful applicant on measuring the benefits and impact of their project.	Yes	Yes	Yes
2. A user research report, documenting user research undertaken during this phase.	Yes	Yes	Yes
3. A conclusion proposing either: a) what needs to be developed in the next stage, b) a revised scope for the project stage or c) a recommendation that this work will not continue.	Yes	Yes	Yes
4. An accessible output, such as prototype, user experience demo, a set of instructions, design pattern, open code or solution. This should be supplemented with guidance on how other local authorities could access or implement your product or service.	No	Yes	Yes
5. An accessible product or service with evidence of iterative user testing that could be used across multiple local authorities.	No	No	Yes
6. A plan for scaling the (private) beta. Include evidence regarding the technical, operational and commercial considerations that support scaling/re-use.	No	No	Yes
7. Where appropriate, an application for additional funding from the Local Digital Fund to progress the project via the Continuous Funding Model .	Yes	Yes	Yes



Annex C: Glossary of terms

Lead authority	The local authority that takes the responsibility for leading the project through to completion. This tends to also be the authority that 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 personally takes the 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.
DLUHC	The objective of the Department for Levelling Up Housing and Communities (DLUHC) is to create great places to live and work, and to give more power to local people to shape what happens in their area.
Local Digital	The Local Digital team sits within the Department for Levelling Up Housing and Communities. It was created to help the sector deliver on the ambition of the Local Digital Declaration. The Local Digital team supports collaborative projects and the development of skills and capability within the local digital community.
Round of funding	A distinct period of time when the Local Digital Fund is open for funding applications.
Discovery	Exploring problem space. The government Service Manual provides a useful reference point for how the discovery phase works .
Alpha	Testing options with hypotheses. 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 .
Local authority	Bodies that are defined as a local authority for the purposes of this Prospectus: a) a county council b) a district council c) a unitary authority d) a metropolitan district e) a London borough



	f) City of London g) the Council of the Isles of Scilly h) combined authority
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