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1. DEFINITIONS AND ACRONYMS

Expression or Acronym	Meaning
BEIS	The Department for Business, Energy and Industrial Strategy
MHCLG	Ministry of Housing, Communities and Local Government
OGD	Other Government Departments
PMO	Project Management Office
TDB	Town Deal Board
TIP	Town Investment Plan

2. BACKGROUND

- 2.1 To procure strategic consultancy support to local areas developing Town Deal proposals as part of MHCLG's Towns Fund.
- 2.2 The Ministry of Housing, Communities and Local Government's (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.
- 2.3 On 27 July 2019 the Prime Minister announced a £3.6bn Towns Fund building on an earlier announcement (4 March 2019) of a [£1.6bn Stronger Towns Fund](#) as part of the Government's commitment to 'level up' all regions.
- 2.4 On 6 September 2019, as part of this funding package, the Secretary of State for Housing, Communities and Local Government [invited 100 places to develop proposals](#) for a new generation of multi-million-pound Town Deals.
- 2.5 [A Towns Fund prospectus](#) was published on 1 Nov 2019 which provided further details on how towns can prepare for a Town Deal. That set out the overall objective of the Fund, to drive the economic regeneration of towns to deliver long term economic and productivity growth through:
- **Urban regeneration, planning and land use:** ensuring towns are thriving places for people to live and work, including by: increasing density in town centres; strengthening local economic assets including local cultural assets; site acquisition, remediation, preparation, regeneration; and making full use of planning tools to bring strategic direction and change.
 - **Skills and enterprise infrastructure:** driving private sector investment and ensuring towns have the space to support skills and small business development.
 - **Connectivity:** developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity
- 2.6 MHCLG will publish further guidance in early 2020 which sets out further details on the interventions in scope, further information on various requirements set out in the prospectus (e.g. a full template for the Town Investment Plans), and full details of how MHCLG will agree Town Deals with places. In the meantime, we provide below a snapshot of the current thinking as it is provided to inform proposals, but on the

- understanding that it is all subject to change. There will be an opportunity to revisit the design and delivery of the support during an inception phase once the further guidance has been published.
- 2.7 MHCLG expect that Town Deals will encompass more than just Towns Fund-funded interventions. MHCLG will work with towns to identify opportunities to align or rationalise public investment around key local priorities, as part of agreeing a Town Deal. Included in deals may also be commitments by other government departments to support key projects.
- 2.8 The process of agreeing deals will be structured as follows:
- 2.8.1 Towns form Town Deal Boards, who oversee the development of a vision and strategy for the town, and then submit Town Investment Plans (TIPs) to MHCLG. The initial guidance for this stage is set out in the Towns Fund prospectus.
- 2.8.2 MHCLG assesses TIPs, and subject to towns meeting the criteria, offers towns a Heads of Terms Town Deal, which is then agreed by the town. The Heads of Terms will include a budget envelope, selected projects from the TIP which the town can proceed with, and key conditions and parameters for taking these forward.
- 2.8.3 Towns develop agreed projects from their TIP in detail, including detailed business cases, any necessary planning work, impact assessments etc, and setting in place delivery arrangements.
- 2.9 Towns will have the opportunity to put themselves forwards for the Heads of Terms stage in 3 cohorts. This is to reflect the fact that they will have different capacity and different starting points for their partnerships and plans. Once a heads of terms has been agreed with towns we would expect they would have a maximum of 1 year to complete the detailed project development work. Based on a readiness checklist we received from towns in December, the timing (subject to confirmation), and expected numbers for each cohort are as follows:
- 2.9.1 Cohort 1: TIP submitted by end of May 2020 (25 towns expected)
- 2.9.2 Cohort 2: TIP submitted by end of July 2020 (35 towns expected)
- 2.9.3 Cohort 3: TIP submitted by end of September 2020 (40 towns expected)
- 2.10 The Towns Fund will be overseen by a team in the joint MHCLG-BEIS Cities and Local Growth Unit which includes members from across all regional offices. Named leads in each regional office are responsible for engagement and support for towns. The central team will be responsible for the overall progress of the portfolio, including the assessment of TIPs and recommendation of heads of terms, convening the governance board, cross-Whitehall engagement, prioritising towns for support and troubleshooting, and overseeing the capacity funding.

3. BACKGROUND TO THE REQUIREMENT

- 3.1 From our analysis we expect that many towns will face capacity and capability gaps that hinder them from developing and delivering good proposals and interventions under the Towns Fund.

- 3.2 In addition to councils' resourcing challenges and gaps in capacity and capability for economic regeneration, evidence suggests that many of the 100 towns have lower community capacity, face additional difficulties in mobilising private investment, and face particular challenges due to fragmentation, with a large array of bodies relevant for local economic development in any one town.
- 3.3 From the readiness checklists returned to MHCLG in December, we can provide the Towns support provider an indication of how towns see their own capacity in the delivery of a Town Deal. Towns were asked a number of questions that provided a self-assessment of their capacity and readiness to move forwards with the Towns Fund, across three main dimensions:
- 3.3.1 Do they have partnerships in place that align with what is required of a Town Deal Board?
- 3.3.2 Do they have plans and strategies in place that can be used as the basis for their Town Investment Plans?
- 3.3.3 Do they have projects ready and sufficient delivery capacity to move ahead at pace?
- 3.4 The readiness checklists reveal a high level of interest and engagement with the Towns Fund. Around one third of all towns told us they felt fully ready across all three dimensions; another one third ready in two out of three. We are confident that, with the right support, all towns will be able to develop strong proposals.
- 3.5 We have allocated capacity funding for 2019/20 and 2020/21 to support the development of good proposals and build local capacity. This will ensure local authorities have access to the right technical expertise to develop strong, realistic and fundable proposals.

4. THE REQUIREMENT

- 4.1 The intended outcomes of this capacity support are:
- 4.1.1 Towns develop and Town Deal Boards approve strategic, coherent and realistic TIPs, building on their assets, with initiatives and projects aligned, and with strong ownership by local stakeholders. The TIPs should live past 2020, setting direction for the town's economic development in the longer term.
- 4.1.2 Local people, businesses and institutions are fully involved throughout the process, establishing a clear, shared vision for the town and taking genuine ownership of the plan and projects within it.
- 4.1.3 Towns develop and take forward high value projects, appropriately funded, with effective delivery arrangements, making a real and lasting impact on the lives of town residents.
- 4.1.4 Towns successfully identify investable propositions in TIPs, package them for investment, identify potential investors and successfully negotiate with developers and private sector partners to bring in private finance that has maximum benefit for the local community.

- 4.1.5 Knowledge and expertise on economic strategy, regeneration and collaborative working is transferred from the supplier to individuals, teams and organisations at the town level, and capacity is built in lead councils and others that will strengthen the delivery of Towns Fund projects and other similar projects in the future.
- 4.2 We expect suppliers to outline their understanding of the capacity challenges and gaps we are likely to face at the town level – both within the local authority and in the wider community. Suppliers should provide clear links and rationale for how this links to the support provided.
- 4.3 The capacity support supplier will provide a variety of different types of support, responsive to the demand, needs and capabilities of towns, until at least March 2021. Support must be aligned to the Towns Fund objectives and parameters, and flexible, focused primarily on helping achieve the outcomes. Suppliers should demonstrate in their proposals how their offer is aligned to deliver the intended outcomes.
- 4.4 The direct recipients of this support will be Town Deal Boards, who are overseeing the development of TIPs and projects, the lead councils who will carry out much of the day-to-day work, and other local organisations including those whose representatives make up the TDBs. We expect suppliers to work closely with town stakeholders, with face-to-face engagement to support knowledge transfer.
- 4.5 The ultimate beneficiaries are the residents of our selected towns – we want to see projects implemented and improve their lives and prospects. By end of the contract we expect that the supplier will have established new ways of working in towns that are genuinely collaborative and instil a sense of pride and ownership. They will also have helped towns set in place systems to monitor the impact of Towns Fund on end beneficiaries, building on and integrated with existing local authority monitoring and evaluation arrangements.

Scope of work

- 4.6 The supplier or consortium should provide personnel with relevant experience of working with local authorities, other local partners and towns across the country, and with recognised expertise in key fields. This should include an appropriate mix of staff for various key tasks, rather than delivering the work primarily through the extensive use of junior consultants.
- 4.7 We expect the supplier or consortium should provide access to expertise across a range of areas relevant for the turnaround and regeneration in struggling towns. We would expect that this could include topics such as:
- 4.7.1 Regeneration, urban planning and design and the built environment
 - 4.7.2 Visioning and strategy development
 - 4.7.3 Participatory and community engagement
 - 4.7.4 Learning and networking expertise, including through using digital tools to help places collaborate. Skills, education and human capital development
 - 4.7.5 Economic development, economic strategy and inclusion
 - 4.7.6 Public policy, local government and governance – including public sector transformation
 - 4.7.7 Financial strategy, investment advice and promotion

- 4.7.8 Business development and innovation
- 4.7.9 Environment, monitoring and evaluation, legal, etc
- 4.8 Suppliers should provide different types of support to towns for the two main stages of the Towns Fund delivery model – developing TIPs, and then developing detailed projects following the agreement of a heads of terms. Suppliers should outline their toolkit of approaches for each stage as part of the their tender response. We would hope to see innovative approaches, in particular for building strategies that have broad engagement and ownership, and approaches that have proven effective in influencing the uptake and success of strategies and projects.
- 4.9 For stage 1, where towns are forming TDBs and developing TIPs, support could include:
 - 4.9.1 Strategy development and project prioritisation
 - 4.9.2 Support to fully engage the local community – residents, businesses, public and voluntary sector – in developing a shared vision and priorities
 - 4.9.3 Context assessment, research and analysis on the needs, strengths and opportunities for towns
 - 4.9.4 Identification of projects with the potential to bring private investment
- 4.10 For stage 2, when a town will be developing agreed projects in detail, along with associated delivery arrangements, support could include:
 - 4.10.1 Business case development
 - 4.10.2 Planning documents or consultations, such as area action plans
 - 4.10.3 Technical feasibility studies, environmental impact assessment, etc
 - 4.10.4 Social impact assessment, public sector equalities analysis
 - 4.10.5 Support for identifying, engaging and negotiating with potential investors
 - 4.10.6 Development of delivery plans and associated capacity building
- 4.11 Suppliers should set out:
 - 4.11.1 A description of the types of support they will provide, when and where each type is most relevant, examples of where they have been successfully used, and how they will be used in an innovative way and/or adapted to the towns context
 - 4.11.2 Clear and specific assumptions about the scale and quantities of services to be provided, with an explanation of what these estimates are based upon.
 - 4.11.3 Their approach for prioritising support, matching town needs and capacities to different types of support, and agreeing with MHCLG which towns receive what services

- 4.12 We expect a basic level of service to be available to all interested towns, with more intensive support provided to some towns ahead of others including where suppliers would be able to scale up support as needed. We would like suppliers to work closely with MHCLG to agree types of service and prioritisation approaches.
- 4.13 As set out in the previous section, some towns have recent plans and strategies that are already aligned with what is needed for the TIP, and many have existing partnerships that come close to what is required for a TDB. We would expect their TDB and TIP can build on these, meaning different support may be needed in these towns. Some other factors to consider when designing and prioritising support include:
- 4.13.1 Towns will also have differing levels of capacity and resources available to for economic regeneration plans and strategies and many towns are already funding their own consultants to develop their proposals. We would expect that towns which can easily mobilise their own resources and support for TIPs and projects (as many already have) may be less intensive compared to those towns without the fiscal space.
- 4.13.2 In some towns the potential impact of the fund may be considerable, due to the size of the town, considerable economic opportunities, or significant levels of need that could be addressed.
- 4.13.3 Some towns may prioritise the Towns Fund, demonstrated for example through significant levels of engagement from the TDB and/or lead council, including from senior levels – additional support should not be provided where towns do not value it sufficiently.
- 4.14 Suppliers should identify ways to maximise the value of working with the whole set of towns to promote better deliverables, more learning and capacity building. This could include developing tools that could be used across similar towns, convening towns to deliver advice simultaneously for towns with shared problems and/or to promote peer-to-peer learning, etc.

Suppliers should set out how they will work with MHCLG, and how they will align, coordinate with, and where possible offer synergies and joint services with the support being provided to towns under other lines of capacity support, including grant funds, research, and support from other government departments and arms-length bodies who will provide support and advice for towns.

Management arrangements

- 4.15 Suppliers should set out in their proposal their work plan, team, management approach, and the personnel inputs that will be provided.
- 4.16 There will be a 4 week inception phase, followed by a short pause pending approval of the inception report. During this phase, we expect the supplier to mobilise key staff and work with towns and MHCLG colleagues, delivering:
- 4.16.1 A mapping of town contexts, capacities, and technical support requirements
- 4.16.2 A detailed approach, taking into account lessons about town capacity and any further guidance that has been published
- 4.16.3 An updated workplan quantifying the levels and types of support to be received by towns at different stages

- 4.17 The supplier should use the first cohort of towns (estimated 25) to test and pilot tools, systems and approaches, to refine in time to offer improved support to the remaining towns. The sequencing of towns should also be used to maximise opportunities for towns to learn from others. We would expect the same level of delivery for the other cohorts.
- 4.18 We expect the supplier to work in a flexible and adaptive way, responding to emerging lessons from supporting towns to improve the services offered and better target support going forwards. Suppliers should detail how they will do this.
- 4.19 The supplier team should include a senior leader who is the single point of accountability for the supplier/consortium's deliver, and can act as the lead contact for MHCLG in managing the contract. They will report to the Towns Fund PMO in MHCLG, London on a weekly basis during the inception period and a monthly basis thereafter. We would also expect that work at town level is closely coordinated with our local level towns team.
- 4.20 We encourage suppliers to develop a delivery model that maximises local presence and knowledge.
- 4.21 We would like central government to also benefit from this tender, through improved knowledge and policy-relevant learning about the challenges and opportunities for turning around struggling towns. Suppliers should propose through the ITT questions how lessons will be captured and communicated at the end of the project.
- 4.22 Suppliers should also undertake by the end of the project a scoping of delivery capacity, challenges, and needs for further support for the implementation of the Towns Fund. This may inform the design of future support to be provided to towns.
- 4.23 We would encourage suppliers to set out what they would ask of MHCLG in order to support the delivery of this work and maximise the impact, for example where and how we could best deploy policy guidance, team engagement, stakeholder convening, etc.

Budget and timeframe

- 4.24 We are anticipating a possible budget range between £7-8m. It is envisaged that all towns will have completed the Towns Fund process (successfully or otherwise) by the end of March 2021. If this is not the case, we would expect the supplier to extend the contract (without extra inputs) to provide support to the final towns.

5. KEY MILESTONES

- 5.1 The Potential Provider should note the following project milestones that the Authority will measure the quality of delivery against:

Milestone	Description	Timeframe
1	Inception report delivered	March 2020
2	TIPs submitted by cohort 1 towns (estimated 20/25)	End of May 2020
3	TIPs submitted for cohort 2 (estimated 35 towns)	End of August 2020
4	TIPs submitted for cohort 3 (estimated 40/45 towns)	End of October 2020

5	Detailed business cases and project documents submitted by all towns	June 2020 – March 2021
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6. AUTHORITY’S RESPONSIBILITIES

6.1 MHCLG will be working extremely closely with the supplier during inception phase and throughout the contract. This will include sharing of intelligence and data that we have been collecting on town readiness as well as access to our network of Local Area Leads who are already working with all 100 Towns.

7. REPORTING

7.1 The supplier will provide weekly updates during inception, and then monthly progress updates during implementation the Towns Fund PMO as well as the towns that the supplier will be working with. These should include work completed during the period, plans for the next period, flagging any key risks or actions, etc.

8. CONTINUOUS IMPROVEMENT

8.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

8.2 The Supplier should present new ways of working and ongoing learning to the Authority during monthly Contract review meetings.

8.3 Changes to the way in which the Services are to be delivered must be brought to the Authority’s attention and agreed prior to any changes being implemented.

9. SUSTAINABILITY

9.1 Suppliers should set out how they will operate in a way that leaves a sustainable impact on the areas in which they will be working under the town fund.

10. ACCREDITATION

10.1 There is no specific accreditation required for this service.

11. STAFF AND CUSTOMER SERVICE

11.1 Potential Provider’s staff assigned to the Contract shall have relevant expertise and experience to deliver the Contract. The supplier should propose at least 4 people as ‘key personnel’, the most critical to the delivery of the contract – these personnel can only be substituted with permission of MHCLG.

12. SERVICE LEVELS AND PERFORMANCE

12.1 We encourage suppliers to propose key performance indicators for their work. The Authority will consider these, and otherwise measure the quality of the Supplier’s delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Planning	Supplier delivery Plans signed off by MHCLG	100%
2	Town Investment Plan	Support provided on the development of a Town Investment Plan signed-off by the Town Board	100%

3	Response to feedback	Comments received to be addressed within 1 week.	90%
4	Towns Feedback	Positive feedback received on supplier performance from Towns	90%

13. SECURITY REQUIREMENTS

- 13.1 As the bulk of the work for this contract will be delivered working with Towns at their locations across the country there will be no requirement for supplier staff to demonstrate security clearance to CTC level.

14. PAYMENT

- 14.1 Payment can only be made following satisfactory delivery of pre-agreed certified deliverables. These will be agreed at inception with the supplier.
- 14.2 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.
- 14.3 Travel and subsistence should be included as part of the suppliers standard rates.

15. BASE LOCATION

The Towns that will require consultancy support are located across England so travel to these places will be required (list of towns can be found in the [Towns Prospectus](#)). MHCLG headquarters are based at 2 Marsham Street, London SW1P 4DF, meetings will need to be held there on a monthly basis.