
CONTENTS

1.	PURPOSE.....	2
2.	BACKGROUND TO THE CONTRACTING AUTHORITY.....	2
3.	BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT	2
4.	DEFINITIONS.....	2
5.	SCOPE OF REQUIREMENT	3
6.	THE REQUIREMENT	4
7.	KEY MILESTONES AND DELIVERABLES	4
8.	MANAGEMENT INFORMATION/REPORTING	5
9.	VOLUMES.....	5
10.	CONTINUOUS IMPROVEMENT	5
11.	SUSTAINABILITY	5
12.	QUALITY	5
13.	PRICE	5
14.	STAFF AND CUSTOMER SERVICE.....	5
15.	SERVICE LEVELS AND PERFORMANCE	6
16.	SECURITY AND CONFIDENTIALITY REQUIREMENTS	6
17.	PAYMENT AND INVOICING	7
18.	CONTRACT MANAGEMENT	7
19.	LOCATION.....	7

OFFICIAL

1. PURPOSE

- 1.1 MHCLG (the Authority) is a 25% shareholder in a Joint Venture (JV) with Terraquest, to operate the Planning Portal (the company name for the Planning Portal is PortalPlanQuest (PPQ)).
- 1.2 Terraquest is a subsidiary company of Mears Group plc (Mears). Mears is seeking to sell its interest in Terraquest. The Authority as a shareholder in the JV must give its consent as to the identity of the organisation who takes over Terraquest.
- 1.3 The Authority in being required to agree to a change of control must satisfy itself of the appropriateness of the preferred buyer to enter into a partnership with Government. The Authority is therefore seeking to procure a Supplier to conduct due diligence duties on the preferred buyer.¹
- 1.4 The Authority's objective is to have sufficient information to be able to make a clear decision on the appropriateness of the preferred buyer.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 The Planning Portal was established by the UK Government in 2002 to allow planning applications in England (and Wales) to be processed electronically. The business became PortalPlanQuest in 2015 when it was privatised and is now a JV between the Authority and Terraquest. The Planning Directorate owns planning policy surrounding PortalPlanQuest (PPQ). The Planning Directorate forms part of the Ministry of Housing, Communities and Local Government.

3. OVERVIEW OF REQUIREMENT

- 3.1 Mears are seeking to sell their interest in Terraquest (but have recently indicated they will keep a small stake of less than 10%), this represents a change of control. It is MHCLG's responsibility as a shareholder to agree the change of control and therefore conduct due diligence on a preferred buyer as they could have an impact on the operation of PPQ. The Authority has already provided Mears with due diligence criteria (Annex 2) setting out the matters on which a change of control will be assessed.
- 3.2 The Authority wishes to understand and be comfortable with the preferred buyer's plans for Terraquest Solutions Limited and for PPQ which sits within the Terraquest business. The preferred buyer needs to demonstrate how it will achieve a strong commercial future for PPQ and should also demonstrate

¹ Currently identified as [Redacted]

requisite financial standing. The Authority also wishes to satisfy itself that the preferred buyer is an appropriate partner for the UK Government and not likely to embarrass the UK Government or cause it reputational risk. The Authority has requested that Mears share with the preferred buyer the information that will be required as part of the due diligence process.

- 3.3 Performing accurate and complete due diligence will ensure the Authority has evidence-based assurance when deciding to consent to a buyer and this will ensure the buyer supports the ambitions of the effective and stable operation of the Planning Portal. It is also essential the Authority does not enter into a contract with the new parent company of Terraquest that would cause reputational damage to the Government or lead to an investigation and criticism by the National Audit Office.
- 3.4 The preferred buyer will provide information to MHCLG in response to a data request (relating to all the matters set out in Annex 2), the data received will be given to the winning Supplier of this tender to conduct due diligence duties and produce a report. The Authority will be the data controller and the Supplier will be the data processor. The Authority would expect the report to outline a recommendation on whether the Authority should agree to the change of control, and consent to the preferred buyer, as well as highlighting any risks with the preferred buyer.

4. DEFINITIONS

Expression or Acronym	Definition
PPQ	means PortalPlanQuest Limited (also referred to as “the Planning Portal”).
MPM	means Managing Public Money.
VFM	means Value For Money.

5. SCOPE OF REQUIREMENT

- 5.1 Set out below are the objectives the Authority wishes to achieve from the Supplier’s due diligence report (and recommendations):
- 5.1.1 The Authority wishes to understand and be comfortable with the preferred buyer’s plans for Terraquest Solutions Limited (“Terraquest”) and how these will affect PortalPlanQuest Limited (“PPQ”). The preferred buyer should demonstrate how it will

achieve a strong commercial future for PPQ while causing minimal disruption to the current service as well as how it will develop the business successfully;

- 5.1.2 The Authority wishes to ensure that the preferred buyer has the requisite financial standing, is financially stable and that the proposed transaction will not unduly weaken or expose Terraquest and/or PPQ; and
- 5.1.3 The Authority will also wish to satisfy itself that the preferred buyer is an appropriate partner for the UK Government and not likely to embarrass the UK Government or cause it reputational risk.

6. THE REQUIREMENT (DELIVERABLES)

- 6.1 The Authority requires the Supplier to assess the information/evidence provided by the preferred buyer in response to the due diligence criteria set out in Annex 2, and to make a recommendation on the suitability of the preferred buyer, whilst will also highlighting any and all risks attached to the preferred buyer.
- 6.2 The Authority requires this overall recommendation on the suitability of the preferred buyer broken down by the key themes as outlined in Annex 2: strategy and plans; financial matters; reputational matters; and litigation.
- 6.3 The report to be produced by the Supplier should provide a clear evidence-based recommendation regarding the suitability of the preferred buyer following a detailed analysis of the due diligence criteria. The report should highlight and rank any associated risks with the preferred buyer and as well as outline risk mitigation
- 6.4 In the unlikely event that the information provided by the preferred buyer does not provide sufficient information for the Supplier to undertake the due diligence work, the Authority would ask for the Supplier to use their expertise and skills to identify information gaps from the documents provided and then set out the best method to fill the gaps to provide the right level of assurance, working with the Authority to request further information or alternative sources. If this were the case the Authority would ask for the Supplier to set out the costings of this additional work separately.

7. KEY MILESTONES AND DELIVERABLES

- 7.1 The following Contract milestones/deliverables shall apply:

Milestone/Deliverable	Description	Timeframe or Delivery Date
1	First Draft/Progress Report	Within week 1 of commencement of the work.
2	Final Draft – of which the Authority may provide comments or questions to be addressed	Within week 2 of commencement of the work.
3	Final Agreed Report Delivered	Within week 3 of commencement of the work.

8. MANAGEMENT INFORMATION/REPORTING

- 8.1 The Authority will provide all the information it receives from the preferred buyer, but the Supplier should be conducting the investigative work, and using its professional expertise to fill any gaps to ensure a thorough assessment is made.
- 8.2 The Supplier must destroy sensitive commercial and personal information at the end of the contract and not retain any of this information following the end of the contract. (See Section 10 of Tasking Order – Processing of Personal Data)

9. PRICE

- 9.1 Prices will be fixed in line with the pricing schedule at Appendix E. Any additional work will be agreed prior to commencement and charged under the day rates as provided in Appendix E.

10. STAFF AND CUSTOMER SERVICE

- 10.1 The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 10.2 The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.
- 10.3 The Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

11. SERVICE LEVELS AND PERFORMANCE

11.1 The Authority will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Delivery of Due Diligence Product	Product delivered within outlined timeframe and will include all elements of the requirement outlined in section (6) to allow the Authority to move onto the next stage.	100%
2	Maintain Commercial Confidentiality	For Supplier to maintain commercial confidentiality throughout contract and to destroy information in their possession and not retain any information relating to the due diligence product at the end of the contract.	100%

11.2 If milestones are missed or if at the assessment of the milestones outlined in section (7) it is concluded by the Authority to be not of the standard required, the Authority will notify the Supplier and provide a rectification plan to ensure the outcomes of the project are not compromised.

12. SECURITY AND CONFIDENTIALITY REQUIREMENTS

- 12.1 Supplier's staff and their systems will need to adhere to security requirements in line with commercial confidentiality. In processing the personal data the supplier will be required to hold that data securely on a server based in the UK only.
- 12.2 Commercial confidentiality will need to be maintained for the content of this Statement of Requirements and the results/deliverables of the Contract.
- 12.3 The supplier must highlight any Conflict of Interest between the supplier and the preferred buyer of Terraquest. If this occurs, then appropriate mitigation must be agreed between the supplier and the Authority. If the Authority is not satisfied on the supplier's proposed mitigation against any Conflict of Interest and the supplier's ability to conduct the relevant due diligence activities impartially, then the Authority reserves the right to terminate the contract.

13. PAYMENT AND INVOICING

- 13.1 Payment will be received by the Supplier at the end of the contract when the Authority is confident work has been delivered to the standard required.
- 13.2 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.
- 13.3 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.
- 13.4 The Authority encourages suppliers to scan and send invoices using the email CLGInvoices@communities.gov.uk. The invoicing address is: Ministry of Housing, Communities & Local Government, 4th Floor High Trees, Hillfield Road, Hemel Hempstead, HP2 4XN.

14. CONTRACT MANAGEMENT

- 14.1 Staff leading on this project from the Authority will ensure they are available for contract review meetings or progress reporting.

15. LOCATION

- 15.1 The location of the Supplier.