



Department for Levelling Up, Housing & Communities

Pre-Tender Market Engagement

Community Ownership Fund Delivery Partner

Authority: Department for Levelling Up, Housing, and Communities (DLUHC) (“the Authority”).

Date Response required: 12:00pm on Friday 27th May 2022

1 PURPOSE

- 1.1 This Pre-Tender Market Engagement (PTME) seeks information in preparation for the potential procurement of a Supplier (the “**Potential Supplier**”) to provide initial advice, in-depth development support, and ongoing delivery support to community organisations seeking or in receipt of funding from the UK-wide Community Ownership Fund (COF). The purpose of this PTME is to:
- 1.1.1 help define the requirement;
 - 1.1.2 help provide a better understanding of the feasibility of the requirement;
 - 1.1.3 understand the best approach;
 - 1.1.4 understand the capacity of the market to deliver and the possible risks involved; and
 - 1.1.5 provide the market with an opportunity to ask questions, raise queries and any issues to be addressed at an early stage;
 - 1.1.6 gain an indication of the level of interest;
 - 1.1.7 gain an indication of the experience of the potential suppliers expressing an interest;
 - 1.1.8 determine the likelihood of potential suppliers being able to meet the delivery timescales required by the Authority.
- 1.2 The Authority shall maintain commercial confidentiality of information received during the PTME.

2 INTRODUCTION

- 2.1 In March 2021 the Government announced a new £150 million Community Ownership Fund, to support people to take ownership of vital community assets and amenities at risk of closure in their local area.
- 2.2 The fund is open to all eligible community organisations in England, Scotland, Wales, and Northern Ireland. A variety of asset types are in scope of the fund, including (but not limited to) community centres, galleries, sporting and leisure facilities, pubs, parks, and theatres. Groups can bid for up to £250,000 match funded capital, and in exceptional cases up to £1million match funded capital for assets relating to sports facilities. The fund will run for a total of four years, until 2024/25.
- 2.3 The Community Ownership Fund prospectus, published in July 2021, provides further detail on eligibility for the fund and how community organisations can apply for funding. We expect to issue an updated version of the prospectus, outlining some updates to eligibility criteria and the application process, in Spring 2022.

- 2.4 We ran the first round of the Community Ownership Fund between July and August 2021, as a pilot to test community appetite and trial the policies and processes we had developed. In October 2021 we announced £5.3 million of funding to 22 successful bidders from Round 1.
- 2.5 The fund was reopened to eligible (but unfunded) bidders from Round 1 in December 2021, who were able to demonstrate a marked improvement in their proposal.
- 2.6 The next round of the fund will launch in Spring 2022. We plan to run three 'bidding windows' per year up until 2024/25, underpinned by a continuously open Expression of Interest (EOI) stage for the fund. The timings for 2022/23 look as follows:

May '22			Guidance materials published; fund promotion
	EOI –		EOI opens (prior to full bidding window)
June	‘always open’ and continually assessed (weekly intervals)	Full application window	Bidding window 1 opens
July			
August			Bidding window 1 closes
September		Full application window	Bidding window 2 opens
October			Decision / announcement point for bidding window 1
November			Bidding window 2 closes
December		Full application window	Bidding window 3 opens
January '23			Decision / announcement point for bidding window 2
February			Bidding window 3 closes
March			
			Decision/announcement point for bidding window 3
April			<i>New financial year, pattern continues</i>

- 2.7 We aim to procure the services of a delivery partner to begin supporting applicants to the fund from autumn 2022 to coincide with the opening of bidding window 2.

Background to the requirement

- 2.8 The first round of the Community Ownership Fund prioritised allocating funding to projects which already had strong capability, were ready to access match-capital funding, and could complete and draw down all capital on their projects within six months.
- 2.9 We know that the readiness of community organisations across the UK to take on ownership of their assets is varied. For future rounds of COF we want to ensure that the broadest possible range of projects can be supported to access the fund, make strong and convincing applications, and receive ongoing advice and support in the running of their assets.

2.10 We think that this support role will be most effectively fulfilled by a dedicated delivery partner or consortium of partners, working alongside the Authority to deliver the fund. The potential supplier should have a strong depth of knowledge and experience in advising community organisations to take ownership of community assets, and to ensure the sustainable running of valued community assets into the future. They should also have experience, expertise and network to work across the four nations of the UK and across the wide variety of asset types that can be supported by the fund. The Potential Supplier should ensure that advice provided is relevant and applicable to the local contexts and legal jurisdictions of each constituent country of the UK.

2.11 The total envelope of COF funding is £150m and the programme expects to allocate funding to c. 650 successful projects until 2025. The delivery partner will offer all interested projects initial support and triage through to the Expression of Interest stage (stages 1 and 2). We then expect that they will go on to offer approximately 2/3 of projects in-depth development support (stage 3). They will offer ongoing monitoring and support to all successful projects (stage 5).

2.12 The Authority intends to deliver the Community Ownership Fund in a five-stage model. The intended split of responsibilities between the Authority and the Potential Supplier within this model are summarised below. The specific activities we intend for the Potential Supplier are set out in further detail in section 4 (“Outputs/Deliverables”).

2.13 Stage 1: Promotion, high-level support, and triage

Applicants will have access to general advice on the fund, through online materials provided by the Authority and delivery partner, and a ‘signposting’ support offer run by the delivery partner comprising an advice line; brief 1:1 advice; and explanations of eligibility requirements. This includes support to ready applicants for submitting to the EOI stage.

2.14 Stage 2: Expression of interest (EOI)

Applicants will be able to submit a short EOI to the fund, which will be always open for submissions and frequently assessed by the Authority. The EOI enables a purposefully ‘light-touch’ initial assessment of an organisation’s eligibility for the Community Ownership Fund, with a focus on gateway criteria such as the organisation’s constitution as a business; its headline funding asks; and the nature of the asset to be brought into community ownership. The EOI stage will determine whether the project is likely to be eligible for the fund. Those projects which the Authority judges to be eligible will then be assessed by the delivery partner for stage 3 support.

2.15 Stage 3: In-depth development support

This stage is where we anticipate that the bulk of the delivery partner’s activity will take place. Using a set of criteria agreed with the Authority (including ONS social metrics), the delivery partner will decide whether the eligible applicant’s organisation should receive support to develop their proposal for COF funding, and the level of support that the applicant should receive. As appropriate, the delivery partner will then go on to provide a programme of targeted, in-depth development advice and coaching to the applicant, including help with elements such as business case development; organisational constitution and governance; and financial planning, up to a certain amount of time per project. In addition, the delivery partner will have discretion to allocate small, specialist revenue grants of up to £5,000 per project for highly specialised support such as legal advice or building surveys (i.e. services that sit beyond the scope of normal community business development advice).

2.16 Stage 4: Full application

Activity in this stage will largely be the responsibility of the Authority. Projects which pass the EOI stage will be invited to submit their full application to the fund, within one of the 8-week 'full application windows' that will be open three times per financial year. The authority will be responsible for assessing the full application; conducting due diligence of applicants; making recommendations to ministers on which bids should be funded; informing applicants of the outcome of their bid; and communications activities around successful projects.

2.17 Stage 5: Ongoing monitoring and support

The Authority will be responsible for most of the activity in this stage via their grant management team. This includes responsibility for ongoing grant and relationship management; making grant payments to projects and monitoring spend; broader evaluation of the COF programme and reviewing the effectiveness of the fund against its objectives on an ongoing basis. The delivery partner will carry out some activities at this stage as a further 'layer' of support, including acting as an initial point of contact for basic queries, and some broader capacity building activity that we would expect the delivery partner to undertake, such as delivering training sessions on different topics and by facilitating forums such as peer-support networks for COF-funded projects.

3 HIGH LEVEL OUTLINE PROJECT OUTCOMES REQUIRED

3.1 Promotion, high-level support, and triage – potential applicants will be provided with general advice on the fund; be signposted to fund materials, and have the opportunity for brief 1:1 advice from the Potential Supplier. High level outcomes the Potential Supplier would be expected to demonstrate at this stage:-

- High quality signposting and provision of initial advice to a broad range of community groups across the UK and a broad asset range;
- ensuring that the suitable project ideas are encouraged to proceed with a bid and agreeing relevant development actions;
- supporting groups who have passed their EOI with high level support in order to reduce the number of ineligible bids.

3.2 In-depth development support – using a framework pre-agreed with the Authority, the Potential Supplier will identify whether an applicant should receive in depth development support; and what the level of this support should be. The applicant will then be offered a programme of in-depth development support for their organisation, with the objective of upskilling the applicant so that they can make a strong and convincing application to the Community Ownership Fund, and develop the longer-term skills to sustainably run their community asset. High level outcomes the Potential Supplier would be expected to demonstrate at this stage:-

- Demonstration that in-depth support to applicants is targeted at those who cannot develop a strong full application on their own but who have potential to deliver a successful COF project;
- High quality in-depth development advice and support;
- Demonstration of the skills developed within the applicant organisation as a result of the applicant support.

3.3 Ongoing delivery support – the potential supplier will remain as an ongoing point of contact to grant recipients. They should act as an initial point of contact for basic queries, but also offer broader capacity-building activities such as webinars and seminars on successful ongoing project delivery, with a possibility of helping to troubleshoot and work

with projects to solve any major delivery issues if required. High level outcomes the Potential Supplier would be expected to demonstrate at this stage:-

- High quality capacity building support to projects to support successful project delivery;
- Establishing close working relationships with both COF grant managers and projects and feeding back information both ways.

4 OUTPUTS/DELIVERABLES

4.1 Promotion, high-level support, and triage

4.1..1 The Potential Supplier will provide initial, high-level support to all community organisations interested in applying for the fund. This should include activities such as:

- Administration of a telephone advice line
- General queries email inbox
- Group webinars / seminars

Through these channels, the Potential Supplier will:

- Signpost interested applicants to the fund's application materials;
- Provide basic information and advice on community assets and running community businesses;
- Explain the application process of the fund;
- Give advice on meeting the eligibility requirements;
- Share case studies of successful projects; and
- Suggest next steps for interested community organisations, including signposting to other sources of community development advice or match-funding opportunities.

4.1..2 The Potential Supplier should also support the authority to promote the fund through their access to community networks, local organisations, and at a hyper-local level.

4.1..3 Potential Key Performance Indicators (KPIs) for this stage may include:-

- 4.1..3.1 Number of organisations supported with signposting and basic advice towards submitting an EOI (TBA)
- 4.1..3.2 Number of organisations submitted an EOI (TBA)
- 4.1..3.3 Number of outreach events to target potential applicants (TBA)
- 4.1..3.4 Advice line and email inbox set up and running (TBA)
- 4.1..3.5 Number of group webinars / sessions delivered (TBA)
- 4.1..3.6 Percentage of positive feedback from potential applicants (TBA)

4.2 Expression of Interest (EOI)

4.2..1 *The potential supplier will not play a role in the receipt or assessment of Expression of Interest forms. Applicants who are identified at the Expression of Interest Stage by the Authority as potential beneficiaries of in-depth development support will be triaged to the Potential Supplier.*

4.2..2 The Potential Supplier should, using a set of consistent criteria pre-agreed with the Authority, assess whether the project will benefit from an offer of in depth development support, and suggest what this programme of support should look like for the specific applicant. This will include the use of screening questions and an ONS social metric agreed with the authority, to further target the offer of in-depth development support to applicants who are remote from existing social infrastructure. The supplier will have broad discretion regarding the nature of the in-depth development support provided within this framework, subject to spot-checks on decision-making by the Authority.

4.2..3 Potential Key Performance Indicators (KPIs) for this stage may include:-

4.2..3.1 Approximately / Up to 1400 EOIs reviewed and a view provided as to whether the project would benefit from in-depth development support

4.3 In-depth development support

4.3..1 This is expected to be the largest element of the support offer from the Potential Supplier. After identifying whether the applicant will benefit from an offer of in-depth development support, the Potential Supplier should formulate a programme of activity to develop the applicant's proposal: upskilling the applicant so that they are able to make a strong and convincing full application to the fund. This might include methods and forums such as:

- Running individual coaching calls with applicants;
- Formulating and agreeing joint action plans with applicants;
- Running group webinars;
- Providing best practice case studies;
- Signposting to specific technical advice and guidance; and
- Establishing networks with previously successful projects.

4.3..2 Having identified the applicant's specific support needs, the Potential Supplier should then be able to provide support on a range of different community development advice topics. This might include (but is not limited to) advice on:

- Strategy development – working with applicants to help them envision the future of their asset; identify their priorities; and scope and plan their next steps towards developing successful proposals.
- Governance structures – how to constitute the organisation in an eligible not-for-profit structure; establish appropriate governance structures to run the asset for community benefit; and upskill applicants in project management methods.
- Asset acquisition – including expert advice on purchases and securing appropriate leases, to help the applicant secure the asset on fair terms, and providing advice on Assets of Community Value and Community Asset Transfers.
- Financial development - including financial modelling to raise and manage finances for the lifecycle of the project; signposting to other match-funding opportunities.
- Business development – including the development of sustainable business cases; and advice on practical elements of trading such as facilities management; recruitment; HR; and payroll.

4.3..3 We would also want the Potential Supplier at this stage to have discretion to administer additional small revenue grants of up to £5000, to enable groups to access support such as legal advice or building surveys from specialist providers. The disbursement of grants will be subject to scrutiny by the Authority and grants will have to comply with the principles of Managing Public Money. The Authority will conduct spot checks to test evidence that grants have been allocated in lines with programme rules and requirements.

4.4 Potential Key Performance Indicators (KPIs) for this stage may include:-

- 4.4..1.1 Number of applicants provided with in-depth development support (and/or number of hours of support)
- 4.4..1.2 Percentage of positive feedback from applicants
- 4.4..1.3 Number of webinars/ sessions run
- 4.4..1.4 Number of good practice case studies provided
- 4.4..1.5 Number of applicants linked up with existing/ previous COF projects to exchange knowledge and good practice
- 4.4..1.6 Number of successful applications following high-level or in-depth support

4.5 Full application

4.5..1 *The Potential Supplier will not play a role in any assessment activity at the full application stage. However, it is at this stage that the Authority would expect to realise the benefits of the delivery partner's activities, seeing a higher proportion of well formulated, eligible applications for the fund from a diversity of locations across the UK (in comparison to those received in Round 1).*

4.6 Ongoing delivery support

4.6..1 *The Potential Supplier will not play a direct role in the grant management of successful projects.*

4.6..2 The Potential Supplier should provide an additional ongoing delivery support offer to successful grant recipients. This should include:

- Acting as the initial point of contact via email or phone for grant recipients who have general queries or concerns about the delivery of their projects.
- Attending, where required, Initial Project Meetings with the Authority, potentially including site visits.
- Hosting a range of information webinars or seminars to support grant recipients and build their delivery capacity, covering topics including (but not limited to):
 - Understanding the COF Technical Guidance and requirements for project delivery as set out in the Grant Funding Agreement;
 - Successful project management;
 - Fraud prevention; and
 - Evidence required for claiming the COF grant.
- The Potential Supplier should facilitate peer support across successful COF projects (such as through facilitating a project network for exchanging good practice and learning).
- Acting as a trouble-shooter if required; helping projects to solve any major delivery challenges they come across.

4.6.3 Potential Key Performance Indicators (KPIs) for this stage may include:-

- 4.6.3.1 Up to 650 successful projects supported with initial queries
- 4.6.3.2 Number of webinars or sessions held
- 4.6.3.3 Project network established and facilitated
- 4.6.3.4 Frequent (details tbd) contact and exchange of information with COF grant management team

6 KEY DATES & TENDERING PROCESS

- 6.3 If it is decided this service is required, it is anticipated that a procurement may start within the next two months with the contract to commence in autumn 2022. These indicative dates are for information purposes only. DLUHC reserve the right to amend these dates at any time, and Potential Suppliers rely on them entirely at their own risk.
- 6.4 The contract is expected to run until March 2025.
- 6.5 The procurement approach will be finalised following the pre-tender market engagement.

7 RESPONSE

Please respond via email to the following mailbox: commercial@levellingup.gov.uk by 12:00pm on Friday 27th May 2022 (the “Response Deadline”).

- Would you be interested in bidding for this project? If not, why not?
- Are you responding as part of a potential consortium, or as a single bidder leading a consortium approach, or as a single bidder intending to deliver the whole service?
- If you are leading a consortium approach, how would the service delivery requirements be shared across the partners?
- Is the requirement deliverable by a single delivery partner / single delivery partner leading a consortium? If not, why not?
- Are you confident that you could deliver advice across a) the UK-wide geographical spread, and; b) the different asset types as set out in this requirement?
- If yes, how would you ensure consistent delivery across the UK and different asset types?
- How would you deliver the required support to applicants at EOI stage, at in-depth support stage and during ongoing project delivery?
- Would you recommend a cap to the amount of support to each project – i.e. a certain number of hours – to ensure a balance between wide spread of projects getting support and projects with potential getting the in depth support that they need? If so, what do you think this cap should be in terms of number of hours/days of support?

- Do you think it is feasible for the delivery partner to administer the £5000 revenue grants to applicants? If yes, how would you administer the grants?
- How long would it take to stand up a team to deliver the services outlined at each stage of the fund, as set out in Section 4?
- How many FTE staff do you think it would require to deliver a quality service?
- It is estimated that the budget for the contract could range from £3-5 million. What do you think would be the indicative total costs be for running the service as set out in Section 4? Could you please give a high level breakdown of your assumptions?
- What do think would be the key risks in delivering the service?
- Are the potential Key Performance Indicators (KPIs) mentioned the right type of KPIs for this kind of community organisation development work?
- If not, which KPIs would you expect to be measured against?
- Would you expect to be measured against specific numbers of projects (i.e. that you are supporting, that pass their application, etc), or percentages of projects, or neither. Why?
- What perverse incentives could we be creating by measuring success against the number of successful applications resulted from the support provided by the Delivery Partner? How could we prevent creating these perverse incentives and ensure we focus on success for communities?
- At least 10% of the contract will have to be a direct contribution to social value policy outcomes (going beyond what the core delivery of the contract achieves). The Social Value Model sets out a range of themes. How would you maximise return on the two themes listed below? Do you think you could delivery other outcomes from the [Social Value Model](#)?
 - a. *Theme 2: Tacking Economic Inequality (e.g. employment and training opportunities in particular for under-represented groups)*
 - b. *Theme 3: Fighting Climate Change (e.g. how will you contribute to reducing climate change impact, environmental waste)*
- Is what the Authority asking for clear?
- What, if anything, has the Authority missed or overlooked in setting out their requirement? Are there any services you would recommend providing to support applicants in the development of their application and/or in the delivery of their project that we have not included?
- Is there anything here which is irrelevant, outdated or unnecessary?

8 QUESTIONS AND CLARIFICATIONS

- 8.3 This Pre-Tender Market Engagement shall be conducted via e-mail.
- 8.4 Potential Suppliers may raise questions or seek clarification regarding any aspect of this PTME document by **Friday 20th May 2022 12:00 (mid-day)** or they may not be answered before the Response Deadline. Questions must be submitted to the following inbox: commercial@levellingup.gov.uk
- 8.5 To ensure that all Potential Suppliers have equal access to information regarding this PTME exercise, responses to questions raised by Potential Suppliers will be published and circulated via email to all parties expressing an interest in this PTME in a “Questions and Answers” document, with updates at regular intervals (approximately two to three working days).
- 8.6 Responses to questions will not identify the originator of the question.
- 8.7 If a Potential Supplier wishes to ask a question or seek clarification without the question and answer being revealed, then the Potential Supplier must state this in their message and provide its justification for withholding the question and any response. If the Authority does not consider that there is sufficient justification for withholding the question and the corresponding response, the Potential Supplier will be invited to decide whether:
- 7.5.1 the question/clarification and the response should in fact be published; or
 - 7.5.2 it wishes to withdraw the question/clarification.

9 GENERAL CONDITIONS

- 9.3 This PTME will help the Authority to refine the requirements and to understand the potential level of interest in the delivering requirements. It will also aid Potential Supplier’s understanding of the requirements in advance of any formal competitive tender exercise.
- 9.4 The Authority reserves the right to change any information contained within this PTME at any time, and Potential Suppliers rely upon it entirely at their own risk.
- 9.5 The Authority reserves the right not to proceed with a competitive tender exercise after this PTME or to award any contract.
- 9.6 Any and all costs associated with the production of such a response to this PTME must be borne by the Potential Supplier.
- 9.7 Information contained within this document is confidential and must not be revealed to any third party without prior written consent from the Authority.
- 9.8 No down-selection of Potential Suppliers will take place as a consequence of any responses or interactions relating to this PTME.
- 9.9 The Authority expects that all responses to this PTME will be provided by Potential Suppliers in good faith to the best of their ability in the light of information available at the time of their response.
- 9.10 No information provided by a Potential Supplier in response to this PTME will be carried forward, used or acknowledged in any way for the purpose of evaluating the Potential Supplier, in any subsequent formal procurement process.