GOVERNANCE REVIEW

**Organisation THE NATIONAL LOTTERY HERITAGE FUND**

**Department FINANCE AND CORPORATE SERVICES**

**Title of procurement GOVERNANCE REVIEW**

 **FINANCE REF. 248**

**Brief description of supply** The National Lottery Heritage Fund is in the process of implementing a new organisational structure across the UK. As a result we require a review of our governance arrangements.

**Estimated value of tender** Not exceeding £40,000 excluding VAT

**Estimated duration** 3 months

**Name of the National Lottery**

**Heritage Fund’s Contact Colin Bailey**

**Timetable** Response deadline: 28.3.19

Clarification & Negotiation meetings: W/C 1.4.19

 Presentations by those shortlisted: 8.4.19

Confirmation of contract: 15.4.19

Completion of research: 12.7.19

# 1. Overview

* 1. The National Heritage Memorial Fund (and its operating brand as the National Lottery Heritage Fund) sets the strategic and policy framework for significant investment to benefit the heritage of the UK.
	2. The National Heritage Memorial Fund (NHMF) holds a unique position across the United Kingdom, providing financial assistance towards the acquisition of assets of national heritage that are at risk of loss. It is also the parent body of the National Lottery Heritage Fund (formerly the Heritage Lottery Fund), which distributes the heritage share of income from the National Lottery. Lottery income this year is expected to be over £300m.
	3. We are implementing significant changes to our corporate strategy, structure, grant giving and policies. Our new Strategic Funding Framework for 2019-2024 sets out an ambitious new vision and role for the National Lottery Heritage Fund – “*inspiring, leading and resourcing the UK’s heritage to make a positive and lasting change for people and communities, now and in the future”.*
	4. In 2019-2020 we will fully implement our new organisational structure across the UK to make us more devolved and better resourced. We will have three departments, Business Innovation and Insight, Business Delivery and Business Services, based in offices across the UK. Our grant-making committees in Scotland, Northern Ireland and Wales will continue, and we are introducing committees for our three new geographical areas in England – North, Midlands & East, and London & South.
	5. We will delegate to these committees all decisions under the main investment programme, National Lottery Grants for Heritage, up to £5m for the first time. Business Delivery staff will also have delegated authority to approve grants on a local basis below £100K and rising to £250K in 2020.
	6. The three countries and three English areas will each have a dedicated local team within Business Delivery providing advice and support to applicants, and assessment and monitoring of grant applications. Each team will continue to provide a common service to their areas but adapted and devolved to the particular local needs.
1. **Introduction**
	1. Our Board has concluded that given the significant organisational changes and the devolved grant making process that this is the appropriate time to further review governance of the organisation. The Fund is a UK-wide organisation which presents an additional demand for its governance and structure. The way the UK Board manages its business, plays a leadership role, forges strategic partnerships, relates to the Committees should reflect the devolved context in which we operate.
	2. The new governance arrangements would underpin the delivery of the new vision and role for the Fund and secure the confidence of the sector in order that we can carry out our strategic and leadership role more effectively.

# Method

The review should consider how the Board and Committees of the Fund:

* “Inspire, Lead and Resource" heritage across all four countries of the UK
* Inform the policies of the organisation
* Guarantee the integrity of its decision making
* Exercise strategic sector and both national and local leadership
* Communicate its work and vision
* Provide expertise to support its work
* Ensure its work benefits diverse audiences across the United Kingdom
* Support its Executive staff
* Approach risk management
* Build support for its activities across stakeholders in government, the devolved administrations and the broadly defined heritage sector
* Maintain the confidence of National Lottery players
* Reflect best practice and compare with other models of UK wide organisations within the cultural/public sector.

The Board is commissioning this work as a contribution to its thinking on governance.

1. **Scope of the Governance Review**
	1. The Board would be consulted on progress and would be responsible for approving the final the report and governance outcomes. The review should consider the strategic, the effectiveness and the operational functions and should engage Trustees, Committee Chairs, Committee members and the Executive in the review.
		1. **Board Functions and Subjects**

This would include and consider the following

* + - * + Role and functions across the Board’s remit
				+ Role of Deputy Chairs in the workings of the Board including in all four countries of the UK
				+ Role of the Trustees in in England and specifically all three Area Committees (currently Chairs for the country committees are Trustees)
				+ Leadership role in particular
				+ Diversity of Trustees including skills and competences to deliver the right balance of Trustees
				+ Effectiveness of Board work
				+ Performance review arrangements for individuals and collectively
				+ Integrity and Objectivity of Trustees
				+ Openness and Transparency of Board functions and meetings
				+ Management of Board meetings
				+ Meetings and frequency of meetings
				+ Workload within and out with of meetings including advocacy role more broadly and within the
				+ devolved administrations
				+ Trustee recruitment and induction arrangements for Trustees
				+ Succession planning for the Board
				+ Costs and value of the Board
				+ Remuneration of Trustees
				+ Conflict of Interest management.

Items out of scope would include Trustee appointment process and terms (outside of the Fund’s remit) and grant financial delegations (already decided for SFF).

* + 1. **Board Committees**

The review would consider the Board, committees and other committees including:

* + - * + Audit and Risk Committee
				+ Finance, Staffing and Resources Committee
				+ Investment Panel
				+ NHMF Panel

In particular it would consider the regulatory/statutory and discretionary requirements for Board committees including their function/purpose, Terms of Reference and remit and the fitness for purpose within the context of any wider governance changes.

* + 1. **Country and Regional/Area Committees functions and subjects**

This would include and consider the following

* + - * + Role and functions across the Committee’s remit including the Chair and its relationship to the Board
				+ Trustees presence/attendance and membership of Committees
				+ Clarification of relationship between Committee and staff
				+ Leadership role in particular
				+ Diversity of Members including skills and competences to deliver the right balance of Members
				+ Effectiveness of Committee work
				+ Performance review arrangements for individuals and collectively
				+ Integrity and Objectivity of Members
				+ Openness and Transparency of Committee functions and meetings
				+ Management of Committee meetings
				+ Meetings and frequency of meetings
				+ Workload within and out with of meetings including advocacy role and stakeholder engagement
				+ Committee recruitment and induction arrangements for Members
				+ Succession planning for the Committee
				+ Costs and value of the Committees
				+ Remuneration of Members
				+ Conflict of Interest management
	1. **Executive Functions**

The Executive functions are largely a matter for the Chief Executive as Accounting Officer to set out within the guidance provided by HM Treasury, Cabinet Office etc. but the review might usefully look at (in the context of the above work):

* + Accountability Framework and,
	+ Internal Control Framework.
	1. **Factors to Consider**

The review should take into account the following in any consideration of the above.

* + - * + Tailored Review recommendations
				+ The last Board Effectiveness Review recommendations
				+ NAO guidance on Sponsor Departments and ALBs
				+ SFF and SFB issues
				+ the need to establish three English Area Committees by 2020
				+ Training requirements of decision takers within the new governance structures
				+ Code of Practice
				+ Views of current assurance bodies e.g. our internal auditors

# Outputs

* 1. The following outputs will be required:
* A draft final report in MS Word;
* A final report in MS Word;
	1. All reports must adhere to the Fund’s accessibility and formatting guidance (appended).
	2. The initial findings will be confidential to the Fund. The Fund may prepare or commission summary reports and other materials for subsequent wider distribution, based on the results.
	3. All reports to include appendices as agreed between the Fund and the contractor. The contents and structure of the report to be agreed in advance of writing. All reports to be supplied in electronic format and hard copy if requested.
	4. All bidders are required to adhere to all appropriate regulations and guidelines on the collection, storage, transmission and destruction of personal data ([MRS/SRA, Data Protection Act 1998: Guidelines for Social Research, April 2013](https://www.mrs.org.uk/pdf/2013-04-23%20MRS%20SRA%20-%20DP%20Guidelines%20updated.pdf)).

# Contract management

* 1. We expect the review to begin 15.4.19 and be completed by 12.7.19. Draft report by the 17.7.19 and the final report shall be submitted to the Fund by 31.7.19.
	2. The anticipated budget is up to £40,000 to include all expenses but excluding VAT. The contract will be let by the Trustees of the National Heritage Memorial Fund.
	3. Bidders should submit an invoice after the final report has been received which will be subject to our standard terms of payment.
	4. The contract will be based on the Fund’s standard terms and conditions.
	5. The consultancy will be managed on a day to day basis for the Fund by Colin Bailey.

# Award Criteria

* 1. **A proposal for undertaking the work should include:**
* A detailed method for undertaking the study;
* Details of staff allocated to the project, together with experience of the contractor and staff members in carrying out similar projects. The project manager/ lead contact should be identified;
* The allocation of days between members of the team;
* The daily charging rate of individual staff involved;
* A timescale for carrying out the project;
* An overall cost for the work.
	1. **Your Bid will be scored out of 100%.**
		1. **75% of the marks will be awarded to Quality**

Each question will be scored using the methodology in the table below.

Tender responses submitted will be assessed by the Fund against the following Quality Questions:-

 [PLEASE ANSWER THE FOLLOWING QUESTIONS 1 TO 4 IN YOUR RESPONSE]

1. To what extent does the tender response demonstrate an understanding of the issues related to this research brief?
2. To what extent is the method appropriate to the research requirements set out in this brief?
3. What is the relevant experience shown in the tender?
4. How well has the tenderer approached the review in order to successfully manage the contract and deliver the required work to the quality levels, budget and timetable required by the Fund?

The above questions will also be tested at a presentation for short-listed suppliers.

## Quality Questions scoring methodology

| Score | Word descriptor | Description |
| --- | --- | --- |
| 0 | Poor | No response or partial response and poor evidence provided in support of it. Does not give the Fund confidence in the ability of the Bidder to deliver the Contract. |
| 1 | Weak | Response is supported by a weak standard of evidence in several areas giving rise to concern about the ability of the Bidder to deliver the Contract. |
| 2 | Satisfactory | Response is supported by a satisfactory standard of evidence in most areas but a few areas lacking detail/evidence giving rise to some concerns about the ability of the Bidder to deliver the Contract. |
| 3 | Good | Response is comprehensive and supported by good standard of evidence. Gives the Fund confidence in the ability of the Bidder to deliver the contract. Meets the Fund’s requirements. |
| 4 | Very good | Response is comprehensive and supported by a high standard of evidence. Gives the Fund a high level of confidence in the ability of the Bidder to deliver the contract. May exceed the Fund’s requirements in some respects.  |
| 5 | Excellent | Response is very comprehensive and supported by a very high standard of evidence. Gives the Fund a very high level of confidence the ability of the Bidder to deliver the contract. May exceed the Fund’s requirements in most respects. |

* + 1. **25% of marks will be awarded for Price.**

The evaluation of price will be carried out on the Schedule of charges you provide in response to Table A

## Price Criterion at 25%

* 25 marks will be awarded to the lowest priced bid and the remaining bidders will be allocated scores based on their deviation from this figure. Your fixed and total costs figure in your schedule of charges table will be used to score this question.
* For example, if the lowest price is £100 and the second lowest price is £108 then the lowest priced bidder gets 25 (full marks) for price and the second placed bidder gets 23 and so on. (108 – 100) = 8, (8/100 x 25 = 2 marks; 25 - 2 = 23 marks)
* The scores for quality and price will be added together to obtain the overall score for each Bidder.

## Table A - Schedule of Charges

Please show in your tender submission, the number of staff and the amount of time that will be scheduled to work on the contract with the daily charging rate.

* + 1. Please complete the table below providing a detailed breakdown of costs against each capitalised description, detailing a total and full ‘Firm Fixed Cost’ for each element of the service provision for the total contract period. Bidders may extend the tables to detail additional elements/costs if required.
		2. VAT is chargeable on the services to be provided and this will be taken into account in the overall cost of this contract.
		3. As part of our wider approach to corporate social responsibility the Fund prefers our business partners to have similar values to our own. We pay all of our staff the living wage (in London and the rest of the UK) and we would like our suppliers and contractors to do likewise. Please highlight in you proposal/tender/bid whether you do pay your staff the living wage.
		4. Bidders shall complete the schedule below, estimating the number of days, travel and subsistence costs associated with their tender submission.

**TABLE A: (firm and fixed costs)**

**[PLEASE COMPLETE TABLE A IN YOUR RESPONSE]**

| **Cost** | **Post 1 @cost per day****(No of days)***e.g. Project Manager/ Director**@ £2* | **Post 2 @cost per day****(No of days)***e.g. Senior Consultant/manager/researcher**@£1.5* | **Post 3 @cost per day****(No of days)***Junior* *Consultant/equivalent* *e.g. £1* | **Total days** | **Total fees** |
| --- | --- | --- | --- | --- | --- |
| Inception meeting to agree plans and finalise requirements with the Fund | *Example 0.5* | *1* | *1.5* | *3* | *£4* |
| *[Add as necessary]* |  |  |  |  |  |
| *[Add as necessary]* |  |  |  |  |  |
| *[Add as necessary]* |  |  |  |  |  |

| Cost Type | Value (£) |
| --- | --- |
| Sub - Total  |  |
| VAT |  |
| Total\* |  |

1. **Important Information**
	1. Table A must include all expenses as well as work costs; this figure will be used for the purposes of allocating your score for the price criterion and must cover the cost of meeting all our requirements set out in the ITT.
	2. The Fund reserves the right to clarify quality and prices and to reject tenders that demonstrate an abnormally low quality response. The Fund also reserves the right to amend the timetable of work where required.
	3. You should not submit additional assumptions with your pricing submission. If you submit assumptions you will be asked to withdraw them. Failure to withdraw them will lead to your exclusion from further participation in this competition.

# Procurement Process

* 1. The Fund reserves the right to reject abnormally low scoring tenders. The Fund reserves the right not to appoint and to achieve the outcomes of the requirement through other methods.
	2. The procurement timetable will be:
		1. Tender return deadline: completed proposals to be returned to the Fund by **12 noon on the 28.3.19.**
		2. Clarification/ Negotiation discussions maybe held week commencing 1.4.19.
		3. Presentations with shortlisted bidders will be held on the 8.4.19.
		4. The Fund will notify bidders of our procurement decision week commencing 15.4.19.
	3. Your tender proposals must be sent electronically via e-mail before the tender return deadline to the following contact:

Mr Jim Crisp

National Lottery Heritage Fund

Holbein Place

London

SW1W 8NL

Jim.crisp@hlf.org.uk

* 1. Please visit the [www.heritagefund.org.uk](http://www.heritagefund.org.uk) website for further information about the organisation.

# Appendix: Accessibility and formatting guidance

The Fund is committed to providing a website that is accessible to the widest possible audience. Our website is annually tested by accessibility auditors and we must meet the WCAG 2.0 AA compliance level. Our accessibility testing covers all of our content, including downloadable documents, as well as the design and functionality of the site.

Reports and other documents created for the Fund (**including the tender submissions**) need to be clear, straightforward to use, and ready to circulate internally, externally and online, as well as suitable for use by screen reading software. Tips for creating accessible documents can be found below. However, we strongly recommend referring to the RNIB, Gov.uk and WebAIM for more detailed information.

## Readability

In the final report, and all other documents that may be published online including the tender application consultants should ensure that:

* The size of the font is at least 11pt;
* There is a strong contrast between the background colour and the colour of the text. Black text on a white background provides the best contrast. This also applies to any shading used in tables and/or diagrams;
* Italics are only used when quoting book titles for citations and items on the reference list should be arranged alphabetically by author
* Colour formatting and use of photos should be of a resolution size that is easily printable and does not compromise the printability of the document.

For further guidance on ensuring readability of printed materials, please refer to the RNIB Clear Print guidelines. These can be found on the [RNIB website](http://www.rnib.org.uk/Pages/Home.aspx).

## Accessibility

Reports should adhere to the following guidelines:

### Formatting

Headings and content in your document should be clearly identified and consistently formatted, to allow easy navigation for users. Heading Styles should be used to convey both the structure of the document and the relationship between sections and sub-sections of the content.

### Spacing

Screen readers audibly represent spaces, tabs and paragraph breaks within copy, so it is best practice to avoid the repetitive use of manually inserted spaces. Instead, indenting and formatting should be used to create whitespace (e.g., use a page break to start a new page, as opposed to multiple paragraph breaks).

### Alternative text

Alt text is additional information for images and tables. This extra information is essential for both document accessibility (screen reading software reads the Alt text aloud) and for the web. Alt text should be concise and descriptive, and should not begin with ‘Image of’ or ‘Picture of’.

### Images

These should be formatted in-line with text, to support screen readers. Crediting pictures may be necessary, usually in response to a direct request from a third party.

### Tables

These should be for used for presenting data and not for layout or design. They should also be simple, and include a descriptive title.

### Additional documents

Any additional information, separate to the report, for example proformas and transcripts which may be used as standalone documents must be fully referenced to the piece of work being submitting and therefore dated, formatted and numbered appropriately.

### Acknowledgement

All reports should acknowledge the Fund. Our logo can be found on our website [www.hlf.org.uk](http://www.hlf.org.uk)

Please refer to the links below for further information:

* ['Microsoft Word: creating accessible documents' - webaim.org](http://webaim.org/techniques/word/)
* ['How to create an accessible PDF' - GOV.UK](https://www.gov.uk/guidance/how-to-publish-on-gov-uk/accessible-pdfs)

We also recommend using an accessibility consultant to help you produce your reports. Agencies that the Fund have worked with include [Shaw Trust](http://webacc.shaw-trust.org.uk/) and [The Accessible Digital Documents Company](http://www.accessible-digital-documents.com/).

The Fund retains the right to amend documents in order to create accessible versions for publishing.