



Department for Levelling Up, Housing & Communities

Pre-Tender Market Engagement

Process Evaluation of the Levelling Up Fund CPD4124255

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

Date Response required: 11:30pm (GMT) 28.03.2023

1 PURPOSE

- 1.1 This Pre-Tender Market Engagement (PTME) seeks information in preparation for the potential procurement of a Supplier (from herein referred to as a “**Potential Supplier**”) undertake the process evaluation of the Levelling Up Fund. 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 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.
- 1.2 The Authority shall maintain commercial confidentiality of information received during the PTME.

2 INTRODUCTION

- 2.1 The Levelling Up Fund (LUF) was announced by HM Treasury (HMT), the Department for Levelling Up, Housing and Communities (DLUHC) and the Department for Transport (DfT) in March 2021, with total funding of £4.8 billion. It is available to local areas across England, Scotland, Wales and Northern Ireland.
- 2.2 The LUF Prospectus^{1,2} sets out what the Fund aims to achieve, through investing in infrastructure to improve everyday life, focusing on improving economic growth, pride in place, and bringing communities together. The LUF focuses on three broad investment themes: upgrading local transport, regenerating town centres and high streets, and investing in cultural and heritage assets. Within these themes, areas have received funding for a wide range of projects with diverse aims including:
 - 2.2.1 **Unlocking industrial, commercial and residential development** (direct investment and transport links to facilitate development with the aim of creating jobs and stimulating private investment)
 - 2.2.2 **Enhancing regional and subregional connectivity** (investments that reduce travel costs between areas)
 - 2.2.3 **Strengthening the local service economy** (investments in public realm, including town centre regeneration, visitor attractions, heritage assets and upgrading community spaces, where the focus is on supporting regeneration by attracting consumer spending)

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966138/Levelling_Up_prospectus.pdf

² <https://www.gov.uk/government/publications/levelling-up-fund-round-2-prospectus>

- 2.2.4 **Improving the quality of life for residents** (investments in infrastructure to improve services for, or otherwise raise the quality of life of, residents – including active travel measures and investments to improve quality of housing)
- 2.3 The Fund's Monitoring and Evaluation Strategy³ was published in March 2022. This outlines the need to conduct a process evaluation to understand how LUF was delivered in funded areas, generating lessons into what worked well, what did not work as intended, and the role of central government in facilitating delivery.
- 2.4 Given the complexity of both the LUF delivery model and the broader local growth funding landscape, the M&E strategy also stated that we would commission a feasibility study into the most robust impact and value for money evaluation methods. The feasibility study report is due to be published shortly.
- 2.5 The key findings of the feasibility study are that robust impact and value for money evaluation methods are available. However, these evaluations cannot be conducted until after impacts have manifested at a later date. We will therefore be procuring the process evaluation of LUF separately to the impact and value for money evaluations.

3 HIGH LEVEL OUTLINE PROJECT OUTCOMES REQUIRED

- 3.1 We are looking for Potential Suppliers to conduct a process evaluation of LUF involving (1) a high-quality programme of project level case study research, and (2) a programme level evaluation of policy implementation by central government departments including the Authority.

3.2 Project level case studies

Aim

Deliver a high-quality programme of project level case study research on LUF projects to examine:

- Progress made with physical works
- Any deviations from original plans and the reasons for this, and
- Any evidence that can be obtained in relation to the likelihood that the project will deliver its intended outcomes (noting that this evidence will likely be speculative).
- Analysis of secondary data to provide indicative evidence of the impact of LUF.

Findings from project level case studies will be synthesised and triangulated against other sources of evidence to draw broader conclusions about the delivery of the Fund.

Sample

The sample of projects will be selected to provide representative coverage of:

- **Project type** – based on the typologies of activities outlined in Section 2
- **Implementation success** – the degree to which the project has been (or is on track to) complete to timetable and budget and deliver its intended outputs (drawing on an analysis of monitoring information as described below).
- **Local context** – accounting for degree of urbanisation (e.g. major urban centres, suburban areas, towns, and rural contexts) as well as trends in the local economy (employment growth, changes in unemployment and economic activity rates) and its industrial structure.
- **Geographical spread** – across devolved administrations and English regions.

3.3 Programme level evaluation

Aim

³ <https://www.gov.uk/government/publications/levelling-up-fund-monitoring-and-evaluation-strategy/levelling-up-fund-monitoring-and-evaluation-strategy>

Track the implementation of the Fund by accountable departments and support a continuous process of learning to improve policy design and delivery. This will involve regular consultations with stakeholders in addition to desk-based reviews of internal and published documents to collate lessons learned from the implementation of LUF. These findings will also be used to inform policy design and delivery of other funds.

Key research questions include:

1. What has worked well, and less well, in implementing the Fund?
2. To what extent is the fund on track to achieve its aims and objectives?
2. To what extent has the process built leadership, partnerships and/or capability in local authorities (or in Northern Ireland, institutions such as universities)?
3. To what extent has LUF enabled closer working relationships within central government in relation to addressing economic growth challenges across all parts of the United Kingdom?
4. To what extent are there reduced siloes and strengthened cooperation between DLUHC, DfT and HMT? Have economic challenges in priority places across the United Kingdom been addressed through more streamlined, tailored and coherent interventions?

3.4 Methods

The table below sets out the anticipated research activities that will be completed as part of the process evaluation.

Element	Description
Theory of Change development	<p>Each project level evaluation should be underpinned by a bespoke 'theory of change' describing how its activities were expected to produce its intended outputs, outcomes, and impacts. Project level theories of change should be aligned to those developed by the Authority. This would require:</p> <ul style="list-style-type: none"> ▪ Analysis of the application form which sets out (a) the rationale and/or need for the project, (b) details of the specific activities involved, (c) the intended results. ▪ Development of bespoke evaluation questions to be addressed, reflecting the specific aims of the project. <p>Initial consultations with local officers responsible with the development and delivery of the project to refine the framework for the evaluation, identify the stakeholders that may need to be consulted as part of the project, and understand the scope of any monitoring or evaluation activity being undertaken at the project level.</p>
Analysis of monitoring information	<p>Monitoring information will provide some guide to the progress of each project, including how far the project is on schedule, how far costs are in line with budgets, and whether the intended outputs are being delivered. Monitoring information can also be used to compare the progress of individual cases to trends across the portfolio of LUF projects. Consultations with monitoring officers may also be helpful in developing an understanding any issues encountered by the project, how these have been resolved, and establish any emerging views on whether it is likely to deliver its intended outputs.</p>
Secondary data analysis	<p>Although the outcomes are unlikely to be visible in large administrative datasets in the short term, there may be value in incorporating some analysis of the local context and broader economic trends to (a) provide some validation of the underlying need for the project and (b) identify any aspects of local context that may</p>

Element	Description
	have changed since approval for the project was granted (and could influence its results).
In depth research with key stakeholders	<p>It will be important to capture the views of a variety of local stakeholders as part of each case study. While consultees will need to be adapted to the specifics of each case studies, these might include (a) the project delivery within the relevant local authority, (b) developers associated with the project, (c) local property agents, (d) representatives of local businesses, residents, or other target communities.</p> <p>The Authority will facilitate access to central government stakeholders for the purposes of the programme level evaluation.</p>
Literature review of internal and published documents	To evaluate the LUF at the programme level, it will be important to gain an in-depth understanding of its implementation to date and what the key issues have been. This will involve reviewing external literature on the Fund as well as internal lessons learned documents. The Authority has already done some work to collate lessons learned and this will be made available during scoping.

4 OUTPUTS/DELIVERABLES

4.1 Key outputs will include, but not necessarily be limited to:

- 4.1.1 In depth case studies
- 4.1.2 Lessons learned workshops
- 4.1.3 Interim report ahead of the 2024/25 Spending Review
- 4.1.4 Final report in 2028
- 4.1.5 DLUHC will facilitate access to central government officers and local authority teams working on LUF projects. The key deliverable will be the interim and final process evaluation reports.

5 KEY DATES & TENDERING PROCESS

- 5.1 If it is decided this service is required, it is anticipated that a procurement may start April 2023 with the contract to commence July 2023. 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.
- 5.2 The contract is expected to be for a period of four/five years (2023/24 – 2027/28).
- 5.3 The project, if progressed, is likely to be procured through the Crown Commercial Service (CCS) Dynamic Purchasing System (DPS) - RM6126 Research and Insights. Suppliers are able to apply to join the DPS at any time. During application to join the DPS, suppliers indicate which services they may be able to provide under the DPS. Please note that new suppliers are able to register with the DPS via the following link and that this process can take at least two weeks: <https://supplierregistration.cabinetoffice.gov.uk/dps#research>. If you have any questions about the DPS and would like to contact a member of the CCS team please use the links provided on the website above.

5.4

6 RESPONSE

- 6.1 Please respond by email to commercialtenders@levellingup.gov.uk with the following by 11:30pm GMT 28.03.2023 (the “Response Deadline”).

- Q1 Would you be interested in bidding for this project?
- Q2 Is this project deliverable in the timeframe proposed?
- Q3 What are the most significant risks associated with undertaking this tender?
- Q3 Is what the Authority asking for clear?
- Q4 What, if anything, has the Authority missed or overlooked in setting out their requirement?
- Q5 Is there anything here which is irrelevant, outdated or unnecessary?
- Q6 How long do you anticipate the initial scoping work may take?
- Q7 Is it feasible to produce an interim process evaluation report in Q1 of 2024?
- Q8 Are there any other research activities that you would suggest undertaking as part of the evaluation?
- Q8 What would the indicative cost be for this piece of work?
- Q9 Are the proposed Social Value Themes, Policy Outcomes and Criteria appropriate for this requirement? Please elaborate on your reasons why and/or suggest alternatives that could be applied and why these alternatives would be more relevant?
- Q10 In your opinion, what is the level of risk of modern slavery in your supply chain? Can modern slavery risks be managed / mitigated within the service?]

7 QUESTIONS AND CLARIFICATIONS

- 7.1 Potential Suppliers may raise questions or seek clarification regarding any aspect of this PTME document at any time prior to the Response Deadline. Questions must be submitted by email to commercialtenders@levellingup.gov.uk only.
- 7.2 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 in a "Questions and Answers" document, which will also be circulated by email, with updates appearing at regular intervals (approximately two to three working days).
- 7.3 Responses to questions will not identify the originator of the question.
- 7.4 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 email 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:
 - 7.4.1 the question/clarification and the response should in fact be published; or
 - 7.4.2 it wishes to withdraw the question/clarification.

8 GENERAL CONDITIONS

- 8.1 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.
- 8.2 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.

- 8.3 The Authority reserves the right not to proceed with a competitive tender exercise after this PTME or to award any contract.
- 8.4 Any and all costs associated with the production of such a response to this PTME must be borne by the Potential Supplier.
- 8.5 Information contained within this document is confidential and must not be revealed to any third party without prior written consent from the Authority.
- 8.6 No down-selection of Potential Suppliers will take place as a consequence of any responses or interactions relating to this PTME.
- 8.7 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.
- 8.8 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.