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1. PURPOSE

- 1.1 The Ministry of Housing, Communities and Local Government (MHCLG), (hereafter referred to as The Authority) requires a Supplier to review and update the Indices of Deprivation 2015 (IoD 2015).

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 The Authority is a ministerial department, supported by 11 agencies and public bodies.
- 2.2 The Authority's job is to create great places to work and give more power to local people to shape what happens in their local area. Key responsibilities include;
- Driving up housing supply;
 - Increasing home ownership;
 - Devolving powers and budget to boost local growth in England;
 - Supporting strong communities with excellent public services.
- 2.3 This commission links to the Authority's key aim of supporting strong communities with excellent public services and forms a key evidence base to help better identify places for prioritising resources and more effective targeting of funding.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 3.1 Since the 1970s, the Government has developed measures of multiple deprivation. The Indices of Deprivation are used by a range of stakeholders, including;
- Central and local government;
 - Voluntary and community sector;
 - Academics and researchers.
- 3.2 Uses of the Indices include identifying places for prioritising resources and targeting funding, setting local strategies, and monitoring progress and impacts of interventions.
- 3.3 The previous four Indices of Deprivation (2004, 2007, 2010, 2015) have been based on the statistical geography 'Lower Layer Super Output Areas' (LSOAs) allowing the Indices to measure deprivation at a fine grained resolution.
- 3.4 LSOAs are small areas designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households. There are 32,844 Lower-layer Super Output Areas (LSOAs) in England. They were produced by the Office for National Statistics for the reporting of small area statistics and are a standard way of dividing up the country. For ease of communication, LSOAs are sometimes referred to as 'neighbourhoods' or 'small areas' in Indices of Deprivation documentation. More detail about LSOAs is available via the Office for National Statistics website: <http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/census/super-output-areas--soas-/index.html>.
- 3.5 The Indices of Deprivation 2015 comprises 7 domain indices, an overall Index of Multiple Deprivation (IMD), Income Deprivation Affecting Children Index (IDACI) and Income Deprivation Affecting Older People Index (IDAOPI) and summary measures at District and County levels. Further information on the IoD, IMD, IDACI and IDAOPI is

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available on the Authority's website:
<https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

- 3.6 The statistical release of September 2015 stated “The Indices of Deprivation are typically updated every 3 to 4 years, but the dates of publication for future Indices have not yet been scheduled.” This expectation requires us to plan for an update in 2019 at the latest, or have a good rationale for not doing so. Without a major change in the methodology, publication is possible in summer 2019.
- 3.7 There is no formal request for the Indices – except that it is generally accepted that the Authority is responsible for their production. The most recent publication in 2015 is (based on 2012/13 data) is becoming increasingly out of date.
- 3.8 As well as England all three devolved nations produce Indices which are comparable in scope and scale. These are in Wales, Scotland and Northern Ireland produced by in-house analysts. The Scottish and Welsh indices are scheduled for an update in 2019 and there is an appetite to find efficiencies and harmonise to the extent that it is in each Nation’s interest to do so. For example, where data is required from other Government departments, such as that on benefits from the Department for Work and Pension or incomes from Her Majesty’s Revenue & Customs, joint data requests may be submitted and managed. This may reduce the burden on data providing to departments and aid consistency and methodological understanding across the devolved Nations. Working together on aspects of user engagement, such as discussions on the construction of specific domains, may help draw in wider user groups allowing the incorporation of more diverse needs to be considered during production and disseminations phases. There is also potential to publish within a similar timeframe (as yet TBC by all) which may help increase the visibility and dissemination of each Nations indices.
- 3.9 A major methodological review of the Indices of Deprivation was undertaken in 1999, and subsequent iterations have attempted to maintain the same methodological approach wherever possible (data improvements and changes notwithstanding).
- 3.10 This project will review existing deprivation indicators to ensure they remain fit for purpose and consider potential new data sources and methods. This would entail refining the existing multiple deprivation model used in the IoD 2015, rather than developing a new one.
- 3.11 Throughout the review stage the Potential Provider shall focus on what is practically possible, given the need to produce up-to-date Indices of Deprivation once potential changes have been agreed.

4. DEFINITIONS

Expression or Acronym	Definition
IoD	Indices of Multiple Deprivation
MHCLG	Ministry of Housing, Communities and Local Government, also referred to as The Authority



LSOA	Lower Super Output Area (one of the ONS defined geographies below LA level)
ONS	Office of National Statistics
IDACI	Income Deprivation Affecting Children Index
IDAOP	Income Deprivation Affecting Older People Index
LEP	Local Enterprise Partnerships
LA	Local Authority

5. SCOPE OF REQUIREMENT

- 5.1 The overarching aim is to update the 2015 IoD in 2019, in good time for tools and results to be incorporated into key national and local policy developments.
- 5.2 The scope of this requirement is to pursue an update to the 2015 indices, following a consistent and comparable methodology using the same source data as far as possible. Full information can be found via the following link: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>
- 5.3 The Potential Provider shall review the existing deprivation indicators and methodology to ensure the Indices remain fit for purpose. The Authority will explore further options for reducing costs and burdens through new data sources, including through collaboration with other government departments and the devolved administrations as outlined in Section 3.8.
- 5.4 Developing a new deprivation model from first principles is not in the scope of this requirement. The model shall continue to be based on the concept of multiple deprivation as it was in IoD 2015.
- 5.5 The Authority would expect the domains of deprivation (income, employment etc) to remain largely the same as in IoD 2015 and be based, as far as possible, on administrative data sources (data extracted from other organization's or government departments administrative or management systems. The administrative and management data used will have been initially collected for the delivery of services or for operational purposes, rather than for research purposes).
- 5.6 It is expected that most data sources for the Indices will be available online or by request from other Government departments. Where more sensitive data is required, the Potential Provider will be responsible for establishing strong working relationships with data providers within government departments and other organisations to access the required data. Where possible, The Authority will assist in establishing contacts with key data providers and facilitating data access.
- 5.7 It is expected that most data for the Indices will be available free of charge. But the Potential Provider should make provision as required to purchase data or indicators/modelled estimates from external consultants. The Authority is not planning to separately purchase these.

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- 5.8 The review of methods and inputs used in IoD 2015 shall focus on refinement of the existing model. The Potential Provider shall only propose changes where there is a clear case for and practical means of doing so.

6. THE REQUIREMENT

- 6.1 The project shall be carried out in three stages. The Potential Provider shall run these stages in line with the timetable outlined in Section 7 of this document. Implications for putting proposals out to consultation should be fully considered, such as significant departures from the data sources used to construct the IoD 2015. The Potential Provider shall take into account the views of users during Stage 2 in collaboration with the Authority following supplementary user engagement and review of correspondence from the dedicated indices email account which is managed by the Authority. Further discussion will take place at the initial meeting post award (Milestone 1).

6.2 Stage 1 – Review of inputs and methods

- 6.2.1 The Potential Provider shall review the indicators included in the IoD 2015 to determine whether they remain the best contemporary measures of deprivation. Where there is a clear rationale for doing so, identifying potential changes that could be made to the basket of indicators included in each domain, and the benefits of these potential changes shall be presented to the Authority in an Interim Report (outlined in Section 7, Key Milestones).
- 6.2.2 The Potential Provider shall assess currently available data for updating each indicator in the IoD 2015, documenting changes to (or out datedness of) previously used sources. Where possible new data sources and/or collation methods shall be identified to enable the production stage to be carried out in the most efficient and cost effective manner.
- 6.2.3 The Potential Provider shall:
- 6.2.3.1 Pay particular attention to the availability of administrative data at LSOA level for all areas in England. Data will need to be valid, robust and fit for purpose at this level of geography, and likely to be acceptable to users;
 - 6.2.3.2 Consider data sources suitable for identification of deprivation in all types of area, including rural areas; and
 - 6.2.3.3 Consider data sources and collation methods that are as sustainable and consistent with previous indices as possible, allowing for indicators and domains that can be easily updated.
- 6.2.4 The Potential Provider shall liaise with the Authority on a weekly basis, or as otherwise dictated by the Authority, via progress telephone calls and email correspondence, and take on board its views throughout the review stage.

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- 6.2.5 For reference, the existing Index of Multiple Deprivation is based on 37 indicators that represent seven domains of deprivation. More detail is available in the technical report to the IoD 2015 available online here - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464485/English_Indices_of_Deprivation_2015_-_Technical_Report.pdf.

6.3 **Stage 2 – Agreement of inputs and methods**

- 6.3.1 The Potential Provider shall:
- 6.3.1.1 Provide firm proposals for producing up-to-date Indices of Deprivation, clearly outlining the main options from the review stage, to allow the Authority to decide the most appropriate way to proceed;
 - 6.3.1.2 Provide a thorough methodological justification for why proposed changes should be made; and
 - 6.3.1.3 Identify which domains and results may be impacted by proposed changes;
 - 6.3.1.4 Provide a report describing and confirming the approach proposed (as outlined in Section 7, Key Milestone 3).

6.4 **Stage 3 – Production**

- 6.4.1 The Potential Provider shall produce up-to-date Indices of Deprivation. This will include;
- 6.4.1.1 DATA – in Excel format (all can be reviewed online here <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015> for reference):
 - (a) Up-to-date Indices of Deprivation, comprising LSOA-level scores, deciles and ranks for:
 - (i) Each domain;
 - (ii) The overall Index of Multiple Deprivation;
 - (iii) The two supplementary indices: the Income Deprivation Affecting Children Index (IDACI) and the Income Deprivation Affecting Older People Index (IDAOPI);
 - (iv) The Potential Provider may, on specific request of the Authority, be required to provide supplementary indices, for example; an index



focused on ranking the ‘just about managing’ or JAM population by LSOA or overall IoD score.

The data used to produce these indices would be based on the data already sourced by the Potential Provider for this particular project. The requirement would be discussed in more detail between the Authority and Potential Provider should the need arise.

Figures 3.2 (pg 18) and 3.3 (pg. 28) of the Technical Report provides further information in relation to sub domains and underlying indicators used to compile the data. For further illustration

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464485/English_Indices_of_Deprivation_2015_-_Technical-Report.pdf

- (v) As many sub-domains, such as ‘Children and Young People’ and ‘Adult Skills’ in the Education, Skills and Training Deprivation domain and underlying indicators, such as the selection of benefits and income data used to compile the Employment Deprivation domain, as possible, given the prior agreement of data owners. See figures 3.2 (pg 18) and 3.3 (pg. 28) of the Technical Report for further illustration - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464485/English_Indices_of_Deprivation_2015_-_Technical-Report.pdf.
- (b) Four summary measures at LA District, Upper-tier LA, Local Enterprise Partnership and Clinical Commissioning Group level, as per IoD 2015, with additional domain summaries at these levels.
- (c) Equivalent summary measures for higher-level geographies (comprising groups of LSOAs) - to be confirmed by the Authority during the Production phase.
- (d) The final data will also be of a suitable format and structure to allow it to be converted and loaded as linked data into the MHCLG’s Open Data Communities platform; tabulated data in Excel format is acceptable. Meta data should also be provided, which describes:
 - (i) Each dataset;

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- (ii) Each column heading (e.g. the source and owner of geographical codes or the meaning of ranks and scores); and
 - (iii) Rules governing the data in each dataset (e.g. where values are derived from a controlled list such as LSOA codes, or permitted ranges for numeric values such as ranks and scores).

6.4.1.2 REPORTS – in Word and PDF format (Milestone 5)

- (a) A detailed technical report describing:
 - (i) The indicators and domains;
 - (ii) The methodology underpinning the Indices and changes made from 2015 iteration (if any);
 - (iii) How the data can be interpreted; and
 - (iv) Details of steps taken to acquire, quality assure and manipulate the underlying data used in the indicators, in sufficient detail as to allow the process to be replicated.
- (b) A summary report giving brief:
 - (i) Descriptions of the indicators, domains and methodology;
 - (ii) Analysis of the key findings at national, Local Authority and Neighbourhood levels;
 - (iii) Analysis of changes since the IoD 2015; and
 - (iv) Accompanying infographics and dissemination resources.

6.4.2 The Potential Provider is invited to suggest enhancements or additions to existing outputs, to aid user interpretation, understanding and the use of indices across its varied user base.

6.4.3 The Potential Provider shall ensure all data and reports are of publishable standard, are carefully proof read and quality assured. All reports are to be agreed with the Authority.

6.4.3.1 The Potential Provider shall ensure reports are written in the cross-government house-style and formatted in line with the Authority's requirements.

6.4.3.2 Reports shall not contain any Contractor branding.

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6.4.3.3 All data shall be accompanied by appropriate meta data.

6.4.3.4 The Authority will be involved in decisions on the content and form of final outputs.

6.4.4 The Potential Provider shall be on hand post completion and publication of the indices on The Authority’s Website to assist with more technical user queries via email and telephone. The Authority will manage this via a designated mail box and will liaise directly with The Potential Provider where their input is required.

6.4.5 Ad-hoc support is likely to be more heavily required immediately after publication with infrequent queries needing the Potential Providers input over time. Further discussion will take place at the initial meeting post award (Milestone 1).

7. KEY MILESTONES

7.1 The following project timetable is envisaged but may be subject to change

Milestone	Deliverable	Date
1	Initial meeting setting out the final agreed road map of work ahead	Within 2 weeks of Contract Award
2	Stage 1 Draft Interim Report on progress to implement road map	Within 1 month of Contract Award
3	Stage 2 Document describing and confirming the optimal methodological approach proposed for the Authority’s sign-off	Within 2 months of Contract Award
4	Stage 3 Write-up of completed domains & indicators, and progress report on remaining indicators	Within 6 months of Contract Award
5	Stage 3 Datasets, Technical Report, Summary Report and associated data visualisations (as outlined in Section 6.4.3)	Within 13 months of Contract Award
6	Stage 3 Indices Publication Support – including servicing more difficult queries, training and promotional work (as outlined in Section 6.4.2 & 6.4.4)	Within 14 months of Contract Award

8. AUTHORITY’S RESPONSIBILITIES

8.1 The Authority will ensure all contractual obligations are adhered to and managed accordingly. Any queries from the Potential Provider will be addressed and responded to within 3 working days. The Authority will provide suitably qualified persons to attend and chair supplier meetings when required to do so.

8.2 Where Memorandums of Understanding, or other formal agreements are required between The Authority, The Provider and other government departments for the

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purposes of data access or sourcing for example, the Authority will assist in establishing contacts with key data providers and facilitating data access.

9. REPORTING

9.1 The Potential Provider shall provide all outputs in plain English and for these to be quality assured and proof read by the Potential Provider before submission to the Authority. Reporting is to be delivered in a format agreed by the Authority as outlined in Section 6.4.3 of this document.

9.2 The Potential Provider shall provide progress reports throughout the project. These may be in written form or conducted through teleconference and confirmed via email on a weekly basis, or as necessary.

9.3 Quarterly meetings with the project board may be required to be held at the Authority's offices or by teleconference. Further meetings may need to be arranged depending on the demands of the project.

10. VOLUMES

10.1 There are fixed outputs for each phase of this requirement as outlined in Section 6 of this document.

11. CONTINUOUS IMPROVEMENT

11.1 The Potential Provider will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

11.2 The Potential Provider shall present new ways of working to the Authority during Contract review meetings.

11.3 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.

12. SUSTAINABILITY

12.1 There are no sustainability considerations for this requirement.

13. QUALITY

13.1 The Potential Provider 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.

13.2 The Potential Provider shall work closely with the Authority to address comments arising from the project board or external parties throughout the duration of the project.

13.3 The Potential Provider shall draw on the quality assurance processes and recommendations as outlined by the Office for Statistics Regulation (formally the UK Statistics Authority) here <http://www.statisticsauthority.gov.uk/assessment/monitoring/administrative-data-and-official-statistics/quality-assurance-toolkit.pdf>

14. PRICE

14.1 Prices are to be submitted using Appendix E, Pricing Schedule and should be inclusive of any expenses but exclusive of VAT.

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15. STAFF AND CUSTOMER SERVICE

- 15.1 The Authority requires the Supplier to provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service to all Parties.
- 15.2 The Potential Provider 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.

16. SERVICE LEVELS AND PERFORMANCE

- 16.1 The Authority will work with the Potential Provider to produce a full risk register following award. The Potential Provider shall ensure the risk register is updated throughout the life of the project and is included along with regular progress updates.
- 16.2 The Authority will measure the quality of the Potential Provider's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Communication	The Potential Provider shall circulate brief progress reports by email against agreed work milestones no later than two working days before progress meetings. Regular discussions via telephone as required by the Authority.	100%
2	Project management	All action points from previous progress meetings, and including the risk register, circulated and agreed within two days of meeting.	100%
3	Completion of Stage 1	Draft Interim Report to be submitted to the Authority by the agreed deadline set out in Section 7 of this document.	100%
4	Completion of Stage 2	Document describing and confirming the approach proposed to be submitted to agreed deadline, as set out in Section 7 of this document, and accepted and approved by the Authority.	100%
5	Completion of Stage 3	Delivery of Datasets, Technical Report and Summary Report to agreed deadline, as set out in Section 7 of this document, and accepted and approved by the Authority.	100%
6	Support	Post publication support with more technical user queries. Provision for	100%

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		resource to be on hand to help service and respond to email and telephone enquiries within 5 working days of receipt. Further discussion will take place at the initial meeting post award (Milestone 1).	
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16.1 The Authority will maintain a record of the Provider’s adherence to the agreed service level and performance timelines and quality. Any non-adherence will result in performance review meetings between the Customer and the Potential Provider, to provide a full debrief and explanation as to why the service level agreement was not met.

16.2 The Potential Provider shall formulate a performance improvement plan to rectify these issues and meet the requirements as per the contract.

16.3 Continued failure to meet the service level agreements after the performance improvement plan has been agreed may result in the early termination of the contract.

17. SECURITY REQUIREMENTS

17.1 The Potential Provider shall securely store data in accordance with the Data Protection Act. The Authority require details from the Potential Provider on how this will be undertaken.

17.2 The Potential Provider shall provide assurance to the Authority that all data will be securely destroyed within a reasonable timeframe from completion of the project.

18. INTELLECTUAL PROPERTY RIGHTS (IPR)

18.1 The Authority will retain full Intellectual Property Rights for the work completed. This is in accordance with the Terms added into Appendix C – Terms and Conditions.

19. PAYMENT

19.1 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables. Products must meet the Authorities quality standards and expectations before payment is authorised.

19.2 Payment milestones will be agreed with the Potential Provider based on the schedule of work proposed.

19.3 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

19.4 Invoices can be posted or emailed to the contact details below;

Ministry of Housing, Communities and Local Government
Invoice Processing team
Finance Shared Services Division
High Trees



Hillfield Road
Hemel Hempstead
Herts
HP2 4XN

Email - CLGInvoices@communities.gsi.gov.uk

Tel: 0303 444 2300

20. ADDITIONAL INFORMATION

20.1 Not Applicable

21. LOCATION

21.1 The location of the Services will predominantly be carried out at the Supplier address although progress meetings and presentations will also take place at the Authority's address at 2 Marsham Street, London SW1P 4DF.