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**London Ventures Support Services**

**Service Specification**

**DRAFT**

**Version 1**

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**CONTENTS**

SECTION PAGE

[A. INTRODUCTION AND OVERVIEW 1](#_Toc436132030)

[B. SERVICE SPECIFICATION](#_Toc436132031) 3

# **INTRODUCTION AND OVERVIEW**

* 1. London Councils (LC) is seeking to collaborate with a commercial partner to deliver the London Ventures (LV) programme of bringing innovative projects to the public sector.
	2. London Councils represents London’s local authorities (LLA), comprising the 32 borough councils and the City of London. It is a cross-party organisation that works on behalf of all of its member authorities regardless of political persuasion. It acts as a catalyst for developing new policy programmes, spreading good practice amongst its members and providing a range of valuable central pan-London services.
	3. Capital Ambition (CA) was originally established as London’s Regional Improvement and Efficiency Partnership (RIEP) and is a formal part of London Councils. It was formed in April 2008 by bringing together the London Centre of Excellence, London Connects, the Improvement and Employment Division of London Councils and London’s Improvement Partnership. The Capital Ambition Board (CAB) is the member-led committee that oversees the Capital Ambition programme. It is also the decision-making board for the London Ventures Programme, and provides direction for the LV Programme and makes the final decision as to which products and services are approved for inclusion in the programme.
	4. The Capital Ambition Board selected a model for the development of the LV Programme based upon private-sector input. The private sector role that was out-sourced is the brokerage/facilitator/catalyst role, whose task was to bring innovative projects from the private and third sectors, attracted by the scale of LLA to work cross organisation and cross sector; reduce cost; achieve better outcomes for Londoners; and, achieve increased investment in public services. This role has been undertaken by consultants for the last three years, but as their contract is coming to a conclusion in early 2016, LC wishes to re-tender the contract for this role, in order to continue supporting the LV initiative going forward.
	5. London Ventures creates value for the contractor and Ventures partners by providing:
1. Access – to senior decision makers, to obtain early sight of new programmes and to build thought leadership advantage over competitors;
2. Relationships – with senior decision makers – to raise an organisation’s profile and demonstrate competence ahead of future procurement activity;
3. Brand recognition – enabling the Ventures to raise market awareness of its capabilities through association with a recognised centre of excellence in local government service delivery, and by direct marketing activities, such as promotion on the London Ventures website;
4. Opportunity – to bid for substantial projects delivering profitable revenue;
5. Leadership – activity that reduces the cost of doing business with the Boroughs e.g. common standards or joint procurement activity;
6. Sales channel – promotion of opportunities London local authorities.
	1. There is a portfolio of products and services that form the London Ventures programme, and the partnership with these organisations is brokered by the contractor using their expertise and networks. A summary of the current process for identifying new London Ventures partners is set out below:
7. Prior to starting on this journey senior stakeholder are consulted to set the priorities of the programme
8. Receiving concepts: conversations are brokered with potential Venture partners – those with viable sounding propositions are asked to submit their ‘big idea’ for evaluation by CAB. This is a high level concept of a product or service.
9. Evaluate concepts: using the information provided, CAB meets to receive and evaluate the pitches. This is a rapid, ‘dragon’s den’ style approach, with the Board ultimately deciding if the potential Venture is of strategic importance and if it sounds commercially viable.
10. Outline business case: if successful in the ‘dragon’s den’ potential Venture Partners are asked to develop an outline business case. The outline business case is presented during a Board meeting by the Venture partner themselves – and again allows Board members the opportunity to ask more questions.
11. Commercial deal: if the outline business case is approved by the Board, a commercial deal is brokered with the Venture partner. This outlines the costs of implementation, roles and responsibilities for partners during implementation and the financial return to the programme.
12. Implement: the London Councils programme team plays a key role in awareness raising of the Ventures in the portfolio, such that councils are aware of the opportunities, the potential benefits and who to contact for more information and to initiate implementation.
	1. Accordingly, the CA Board has commenced procurement for this central facilitator/catalyst/ broker role (via an EU ‘competitive dialogue’ procurement process), with a view to letting a contract in summer 2016. The Service Specification sets out the requirements for the role and outlines the client-contractor relationship that will be adopted in the contract to be let to a private firm to undertake this service on behalf of London Councils.
	2. London Councils invites bids for the provision of Consultancy for London Ventures Support Services, as set out in the Procurement Documentation, with particular reference to the Service Specification included at Section B which outlines the requirements which each Bidder must meet in order to deliver the required quality of service to London Councils.
	3. The Contract Period is for an initial period of three years with an option, at London Councils’ sole discretion, to extend the initial period by up to four years in periods of up to two years. For the avoidance of doubt, London Councils does not guarantee any future quantities or values in relation to this contract.
	4. This specification is still subject to change and is intended to give potential contractors an indicative outline of what is required.

# **SERVICE SPECIFICATION**

# London Councils wishes to procure Consultancy for London Ventures Support Services, in order to support the ongoing delivery of the London Ventures Programme, acting in a central facilitator/catalyst/broker role. An outline of the requirements for this service are set out below.

# **Vision**

The vision for the LV Programme is that opportunities for innovation and transformation in LLA will be delivered to support radical improvements in outcomes for London’s citizens, communities and businesses.

# **Strategic Goals**

* The goals of the LV Programme are to secure self-sustaining support for improvement and efficiency activity across London boroughs through a creative partnership between the private and public sector.
* To enable service transformation and improved operational efficiency in LLA.
* To maintain London political ownership through robust governance arrangements.

# **Scope**

Working in close partnership with London Councils, our partner will:

* Support the existing London Ventures programme
* Develop future rounds of London Ventures with both targeted and general tranches
* Ensure that the Capital Ambition Board has full oversight of the programme and take direction from the Board as appropriate.
* Evolve the LV Programme to ensure it meets the needs of customers and key stakeholders
* Ensure that the programme generates significant financial benefits for local authorities and there is a return to the programme to sustain it going forward

# **Objectives**

The LV Programme will facilitate agreements between the Venture partners and London local authorities to advance improvements and efficiencies through activities such as:

* Identification of potential private sector companies and projects which could lead to joint working with local authorities in London to achieve improvements and efficiencies.
* Identification of local authorities in London who might be interested in working with the private sector on identified projects to achieve improvements and efficiencies.
* Disseminating information and good practice as part of project deliverables
* Developing arrangements to enable this service to become self-funding in the future.

# **Funding Model**

## The funding model envisaged for the London Ventures Support Service is based upon a limited amount of initial ‘pump-priming’ funding (of up to £1.0 million) that will be provided by London Councils through its Capital Ambition grant fund, with the programme moving towards self-sufficiency by year three.

## It is currently assumed that the LV Programme and the support services required for co-ordination would be funded by contributions from the private-sector partners engaged in delivering projects or services commissioned under the London Ventures Programme. LC may be prepared to accept alternative funding proposals from bidders, providing they are compatible with public procurement rules and provide transparency in operation.

## The London Ventures programme will be expected to operate in a financially self-sustaining manner. In practice this will mean that the contractor will need to ensure that they develop a portfolio of innovative London Ventures products and services that can:

## Generate a commercial return from the private sector or third sector partners, that in turn will fund the programme costs for both the contractor and a proportion of the London Councils programme office cost to create a sustainable long term London Ventures programme. If the programme is not generating sufficient income at this point, then the costs of providing the LV programme support is at the suppliers’ own liability;

## Any remaining income will be divided at an agreed level between London Councils and the contractor.

## The Capital Ambition Board will retain the final decision as to whether a new partner is approved for inclusion in the London Ventures programme. Given the existing portfolio of products, the new partner will be expected to support and promote the existing programme in addition to developing the new programme.

## Bidders should comment on this funding model in their tenders, and in particular, provide their views on how the central LV Support role might be financed via contributions from approved projects private-sector partners (or otherwise). Bidders should note that any future continuation of the programme will be dependent upon the number of projects/schemes and the return generated from implementation of London Ventures products and services.

# Service Requirements

## CAB has a requirement for Consultancy support for London Ventures Support Services, acting in a central facilitator/catalyst/broker role. This role is to encourage and develop collaboration between the LLA, and between the LLA and private sector or third sector service delivery partners, on a programme of transformational projects aimed at achieving benefits and efficiency savings.

## CAB will draw on the Consultant’s extensive network of private sector contacts and their experience at applying best practices and updated methodologies to assist them to identify projects that add value to LLAs.

## CAB’s requirement for Consultants will also involve assisting the Board with various projects from an advisory viewpoint and overseeing the management of collaborative projects involving the LLA and private-sector partners, as required.

## The London Ventures Support Service, working in partnership with London Councils and the Capital Ambition Board and team, shall undertake the following activities:

* Manage relationships with the private sector and third sector by –

a. Manage, support and oversee existing relationships with existing London Ventures partners.

b. Broker new rounds of London Ventures with new products and services based upon intelligence on strategic challenges from senior LLA officers.

c. Develop the targeted generations of London Ventures.

d. Develop the London Ventures programme using a digital interface that improves communication with and management of partners and key stakeholders.

* Work with new and potential Venture partners by –

a. Facilitating the engagement with private sector and third sector partners to engage in the London Ventures programme, using existing networks and contacts and by outreach to new contacts.

b. Support the process for identification and development of projects for final approval by the Capital Ambition Board.

c. Negotiate commercial deals that maximise the financial return and benefit to the programme from successful implementation of London Ventures products and services.

d. Engaging LLA officers as and when appropriate in the process of developing London Ventures products and services

* Ensure adequate accountability and transparency the partner will –

a. Meet and discuss progress to the Capital Ambition team at London Councils.

b. Attend and report to the Capital Ambition Board on London Ventures progress and take direction from the Capital Ambition Board on the London Ventures programme in accordance with London Councils Standing Orders.

* + Develop and accelerate the London Ventures programme such that it will –

a. Generate significant measureable financial return and benefits for London local authorities

b. Develop an operating model that leverages external financial support for implementing Ventures.

### Identify potential authorities willing to become involved in specific projects/change initiatives

### Lead and co-ordinate in the assessment of potential projects/change initiatives, reporting to CAB as required.

### Manage the project approval process, reporting to the CAB, including inter alia:

* Co-ordinate with the LLA and Venture partners to deliver proposals for successful projects through:
	+ In some cases developing and completing proposals for potential projects on behalf of the relevant authorities and Venture partners
	+ In other cases, assisting authorities and/or private-sector partners with proposal development and approvals process (i.e. through guidance and review as opposed to writing the proposal)
* Co-ordinate with the authorities and private sector partners on the delivery of successful projects.

### 6.6 LC CAB wishes to appoint an appropriately qualified firm to provide strategic consultancy services to undertake the following tasks:

# Carry out the background work necessary to prepare a business plan for the LV Programme.

# Draft a detailed business plan including an appropriate finance model and gain approval for the Business Plan from the CAB.

# Use the Business Plan to manage and co-ordinate the activities of the LV Programme, including the ongoing funding of the LV Programme Support role.

Bidders should set out in their response their capabilities and qualifications in each of these areas.

6.7 LC is happy to accept bids for the provision of LV Support Services from any suitably qualified enterprise. Bidders should note that in order to avoid potential conflicts of interest, the firm awarded the contract for the provision of the LV Support Services will be excluded from any other role in any joint project sponsored by the LV Programme.

6.8 Skills Required - the skills that will be required for the delivery of the role include:

* In depth knowledge of the London local authority market place, and the role and capabilities of the various potential private-sector partners that operate in this market.
* Sales & marketing leadership.
* Understanding of public procurement procedures and regulations.
* Knowledge of London local government priorities and challenges
* Contract negotiations & strategic alliances.
* Finance, budgeting, cost management, profitability & cost analysis.
* Performance improvement.

 Bidders should set out in their response their capabilities and qualifications in each of these areas.

6.9 Experience required - the experience required for the delivery of the role includes:

* Candidates proposed by bidding firms for the LV Programme Support role must have successfully led a major collaborative project involving at least two Boroughs (or other similar-sized UK local authorities) and a private sector partner.
* Candidates must have five or more years experience in a senior consulting role.
* Candidates should have two or more years local authority management experience.
* Candidates must have experience in generating project ideas and sales in the public sector marketplace.

7.0 Performance Review and Key Performance Indicators (KPIs)

7.1 The contract will be subject to ongoing performance monitoring. KPIs for the delivery of the LV Programme Support service will be agreed between LC and the successful bidder in negotiation.

8 Reporting Procedures and Outputs

8.1 This contract will require a number of reports. LC must at a minimum receive a regular report of all project-related activity, including inter alia:

### projects identified,

### projects in discussion with LLA/private-sector partners

### projects in approval, with status updates

### progress of all approved projects.

### The final nature, content and frequency of reports will be agreed between LC and the successful bidder prior to finalisation of the contract.

### 8.2 The reports will be discussed at the regular operational meetings between the Contractor and LC which will form part of the contract governance structure. It is envisaged that initially these meetings will be monthly, however London Councils reserves the right to require the Contractor to attend additional meetings if so directed by LC.

### 8.3 In addition, the Contractor will provide an annual report as required as part of the National Fraud Initiative.

8.4 Bidders should propose any appropriate reports suitable to meet the LC service monitoring & management requirements as stated above.

**SECTION C**

**[to be added at ITT stage]**

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