

**Invitation to Tender for Research and Consultancy Services**

**R1116a: Development of Business Plan and Prospectus for a London Boroughs Collaborative Delivery Vehicle for Housing**

London Councils represents London’s 32 boroughs and the City of London. We are a cross-party organisation that works on behalf of all of our member authorities regardless of political persuasion.

* London Councils makes the case to government, the Mayor and others to get the best deal for Londoners and to ensure that our member authorities have the resources, freedoms and powers to do the best possible job for their residents and local businesses.
* London Councils runs a number of direct services for member authorities including the Freedom Pass, Taxicard and Health Emergency Badge. It also runs an independent parking appeals service and a pan-London grants programme for voluntary organisations.
* London Councils acts as a catalyst for effective sharing among boroughs – be that ideas, good practice, people, resources, or policies and new approaches.

**Overview**

London Councils’ members face a significant challenge in meeting the demand for housing from Londoners. Demand for homes increases by around 50,000 each year, yet delivery of new homes has been an average of 22,000 per annum. London Councils wishes to help its members increase their home building capacity to meet that challenge while enhancing the quality of life in our many communities.

To this end and amongst a range of initiatives, London Councils is now seeking tenders to develop a business case and prospectus for a Collaborative Delivery Vehicle (CDV) for housing that is available for use on a voluntary basis by all London boroughs and the City of London Corporation.

This document describes:

1. The purpose and scope of the CDV;
2. The goals that the proposal is intended to achieve;
3. Ways of working that will be expected;
4. The capabilities that are likely to be required by the tenderer;
5. The timescales and outputs;
6. The requirements for submission of a tender.
7. **CDV Purpose and Likely Scope**

The CDV is intended to create a voluntary mechanism through which individual boroughs can add value to their existing capabilities and so deliver their housing goals more effectively. This will require a mix of harnessing economies of scale through collaboration, facilitating boroughs’ ability to work together on housing delivery, and maximising the opportunities from available land, funds and expertise within boroughs.

Discussion within London local government has already identified a series of activities likely to be part of a viable CDV for housing. These include:

* Improve boroughs ability to manage complex or difficult sites, through providing access to tailored advice and capacity support.
* Increase the ability of boroughs to voluntarily work jointly across boundaries, to help support them in meeting housing delivery challenges (for example, in packaging small sites for development, or supporting bilateral or shared arrangements for delivering 2 for 1 replacement of high value stock).
* Provide a mechanism – for those boroughs that wish to – to make better use of available resources through pooled funding and a more strategic approach to investment, in order to lever improved outputs and returns.
* Provide collective capacity for strategic engagement with wider partners – for example a means to take advantage of potential strategic delivery opportunities around the NHS estate, and the wider public sector estate.

There may be other activities that should be added this list. There will be a range of ways in which these goals could be achieved, including direct delivery, commissioning and common frameworks.

Tenderers will be expected to identify the appropriate range of activities, the methods by which they can be provided and to further provide analysis of the relative strengths of different options. Part of the business planning process will require a clear strategic analysis of the strengths and weaknesses of differing approaches to the sequence in which these activities might be launched.

It is assumed that the CDV for housing will need to develop incrementally and that it should not be reliant on major injections of resources at any stage in the development of the business. Outputs from the work will therefore include:

* A route map to establishing the vehicle as a viable operation delivering the full range of proposed activities.
* Clear recommendations for the governance arrangements supporting the vehicle and capable of meeting the pressures of incremental growth.

All proposals will need to be developed in line with the following principles:

* Membership of the vehicle must be entirely voluntary and a decision by any London borough not to be a member should not lead to any form of penalty.
* The activities of the vehicle must not cut across or undermine the operation of any of housing companies created by London boroughs.
* The work of the vehicle must be consistent with the policies of London borough sub-regional partnerships.
1. **Goals for the Proposal**

It is expected that the outcome of this work will include a Business Plan and a Prospectus for an agreed CDV for Housing that has sufficient rigour and clarity to provide a reasonable basis for individual boroughs to decide whether they would wish to be involved in the process of initial start-up; including ensuring that they could reach informed decisions on costs.

In addition it is assumed that the methods of working during the project will ensure that individual boroughs are sufficiently familiar with the development of the proposal that they can have confidence in the written documentation produced at completion. This familiarity should include a significant element of co-design.

1. **Ways of Working**

The Tenderer will be expected to work closely with London Councils, with leading members including Leaders of London Boroughs, and through London Councils with senior staff in London boroughs individually and also through a range of pan-London officer forums.

The tenderer will report into London Councils through the Corporate Director for Policy and Public Affairs. Through the director they will need to be in close contact with the Housing and Planning team at London Councils. The tenderer will also be expected to ensure close contact with the members of the London Councils/CELC Housing Devolution Group – in particular with its Chair.

The process of developing a costed business plan and prospectus should be conducted in a manner that ensures the final product and its conclusions will command the confidence of senior members of London boroughs, senior housing professionals and chief executives across London. It would therefore be a measure of success that the conclusions of the business plan and prospectus – whatever they may be – will neither be a surprise, nor lack credibility with those professional and political Leaders that will be considering the final product .

While London Councils will provide some support, advice and direction the tenderer should assume that all data and financial information they may require will need to be generated without support from London Councils.

* A regular programme for reporting progress will be required.
* London Councils expects to comment on all draft outputs and this should be reflected in your cost and time schedule.
* Final outputs may be distributed internally and to key external stakeholders and made available on our website.
1. **Capabilities Likely to Be Required**

To succeed in delivering this proposal it is likely that the tenderer will need:

* A significant track record in regeneration and housing delivery.
* Significant credibility with a wide range of London borough chief executives and board level executives responsible for regeneration and housing delivery within London boroughs.
* An understanding of the political context and pressures on the Leaders and Mayors of all London boroughs.
* Deep capabilities and long experience in development finance, financial modelling and the challenges of housing delivery in London.
* Experience and ability in negotiation, consultation and collaborative working with leading figures in central, local and London government.
* Evidence of detailed knowledge of the challenges of the London housing market.
1. **Timescales and Outputs**

The project should be complete within six months of commissioning. The intended audience for the outputs includes:

* London Councils/CELC Housing Group
* Leaders and London Councils Executive
* Other Senior Councillors
* Senior borough officers
* GLA staff

Project outputs are expected to meet the goals for the proposal listed above and as a minimum and should include:

* A final business plan report supported by full financial projections as required.
* A prospectus for use in informing London local government political and officer decision making on whether or when to engage with any potential CDV for housing.
* Engagement to discuss outputs from the project at a limited number of London local government groups, potentially including chief executives, senior regeneration and housing executives and also London Leaders and Mayors.
1. **Tender Submission Requirements**

Bidders should provide the following information in their tender submission:

1. The size and nature of your organisation (if relevant) and your experience of directly relevant consultancy work.
2. Your understanding of the aims and objectives of the project and how it interacts with the current policy context.
3. An outline of your proposed methodology and approach to tasks outlined in this document.
4. Details of time inputs by individual(s) delivering the tender.
5. Experience of the individual(s), including their role on the project and tasks if relevant (CVs should be included separately in an annex, max 2 pages each).
6. Clear structure of charges including day/hour rates, time spent on tasks, expenses. VAT will be paid at the applicable rate.

We will evaluate your response against the evaluation criteria given below.

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| **Evaluation criteria**  | **Weighting** |
| 1. Understanding of the aims and objectives of the vehicle, the policy context and key issues. | 25% |
| 2. The candidate / team’s experience of undertaking similar projects and of working closely with senior local government officers and leaders, ideally in a London context. | 35% |
| 3. A clear methodology and approach to analysis that meets the project aims and objectives. | 20% |
| 4. Value for money. | 15% |
| 5. Equality opportunities (both regarding your organisation and any considerations arising from the research in terms of sample, methodology etc.). | 5% |

**Project Costs and Timetable**

Costs should be clearly presented and be inclusive of all fees, direct and indirect costs, expenses but exclusive of VAT. An example of a clear cost structure is provided in Annex 2. You should indicate based on the timings below how you would envisage the project progressing based on your suggested methodology.

This project is being included in the government’s Contracts Finder database to comply with 2015 changes in national procurement policy which specifies that any procurement opportunities and contract awards above certain low thresholds (£25,000) are published on [Contracts Finder](https://www.gov.uk/contracts-finder).

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| **Activity** | **Date** |
| Deadline for receiving tender submission | 3pm, 2 December 2016 |
| Contractors informed of outcome | w/c 5 December 2016 |
| Contract awarded | w/c 5 December 2016 |
| Inception meeting | by w/c 12 December 2016 |
| Bulk of project activity | January-May 2017 |
| Final report  | May/June 2017 |

**Format of Tender submission Response**

If you wish to apply, an electronic copy of your tender submission response should be sent by email to tenders@londoncouncils.gov.uk, quoting reference number **R1116a** to arrive by 3**pm, Friday 2nd December**. Bidders should ensure that they have received a confirmation email of receipt of tender submission by the deadline.

If necessary, you may seek clarification on the procurement process or the specification by contacting Eloise Shepherd on 020 7934 9813 or email at eloise.shepherd@londoncouncils.gov.uk. Enquiries will not be answered if received within **2** days of the date for submissions of tender. Bidders should note that responses to each enquiry will be copied to all organisations bidding (though will not identify the originator of the enquiry) through the London Councils website.

If you are aware that the submission of your tender submission may give rise to a potential conflict of interest, please inform the officer to whom you are making the application.

***Full instructions to bidders are also provided in Annex One. Bidders are advised to read all instructions before submitting their tender submission.***

**Freedom of Information Act**

You should be aware that the information you submit may be subject to a request for information. The provision of any information to external parties by London Councils is determined by statutory conditions provided for in the Freedom of Information Act 2000.

**Equality Opportunities**

The successful contractor will be required to comply with London Councils Equal Opportunity Policy and bidders should complete the Equal Opportunities Questionnaire with their tender submission.

**Annex One: Instructions to bidders**

1. **Tender Submissions**
	1. All pages of the bidder’s tender response should be sequentially numbered (including any annexes and supporting documents).
	2. Bidders are advised to submit tenders by email to tenders@londoncouncils.gov.uk quoting reference **R1116a**.
	3. The tender must not arrive later than the date and time stipulated. Tenders received after that time may not be considered unless the bidder can prove that the tender was dispatched in sufficient time to meet the deadline.
	4. By submitting a tender, the bidder agrees to keep that tender open for acceptance by London Councils for 90 days following the closing date.
	5. London Councils does not accept suppliers’ Terms and Conditions.
2. **Amendments to Tender Documents**
	1. Prior to the deadline, London Councils may modify the tender documents by amendments in writing. London Councils may extend the deadline for tenders to allow for significant amendments to be fully assessed and taken into account.
	2. The bidder may modify the tender prior to the deadline for receipt by giving notice in writing or by email.
	3. No tender may be modified after the deadline for receipt.
	4. The contractor may not transfer, assign or sublet the contract, or any part thereof, without the prior written consent of London Councils. If such consent is given the contractor will remain liable for the performance of the contract in its entirely as if such assignment or sublet had not taken place.
3. **Tender Charges**
	1. Charges must be in pounds sterling and be inclusive of all costs but can be exclusive of VAT.
	2. Charges shall be fixed for the duration of the Contract and will not be subject to any variation unless detailed in the Contract document.
	3. London Councils shall not be liable for any costs incurred in the production of the tender submission.
4. **Tender Evaluations**
	1. London Councils intends to commission the most economically advantageous tender and reserves the right to accept or reject all or any part of any tender.
	2. London Councils does not bind itself to accept the lowest charged tender.
	3. London Councils reserves the right to change the timing or any other aspect of the procurement process or to cancel the procurement process at any stage without prior notice.
5. **Intellectual property rights**
	1. All information provided by London Councils shall be treated by the Contractor as confidential except where prior written consent has been given by London Councils that such information may be disclosed. The dissemination of information within your organisation should be on a need-to-know basis.
	2. All intellectual property rights arising from the work will reside with London Councils.

**Annex Two: Example of cost structure**

**Example of cost table:** Below is an example of a clear cost structure. Other cost breakdowns will be accepted; however a clear structure that will allow London Councils to easily assess value for money – including cost per stage and/or days/hours per person – should be used.