

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2661

### Royal Docks Mass Challenge Pilot

#### Executive summary:

In August 2018, the Mayor (under cover of Mayoral Decision (MD) 2338) approved expenditure of up to £212.5m for the Royal Docks Enterprise Zone (EZ) Delivery Plan to deliver an integrated and catalytic package of projects under the five strategic objectives of Place, Connectivity, Economy, Activation and Promotion. He also delegated authority to the Executive Director of Housing and Land to approve, through Director's Decisions (DD), the income and detailed spending proposals for each project that is to be funded within this initial £212.5m expenditure budget envelope.

The Assistant Director approves spend of £15,000 as a contribution, made alongside that of other corporate partners, for a pilot Mass Challenge accelerator programme that aims to support five start-up artificial intelligence organisations. The learning and partnerships from the pilot will hopefully lead to a full programme in future years, likely to be in partnership with the University of East London.

In accordance with Royal Docks EZ Programme Board governance and funding responsibilities for all Royal Docks EZ projects, the investment set out in this decision was considered and endorsed by the Royal Docks Officer-Level Programme Board on Tuesday 30 May 2023.

#### Decision:

That the Assistant Director of Strategic Projects and Property approves:

- support for a pilot the Mass Challenge accelerator programme in the Royal Docks
- the spend of £15,000 for the Mass Challenge pilot.

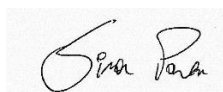
#### AUTHORISING ASSISTANT DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

**Name:** Simon Powell

**Position:** Assistant Director, Strategic Projects and Property

**Signature:**



**Date:**

27/11/2023

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 The Royal Docks is one of London's most distinctive economic locations, and one of its largest regeneration projects, with the potential to generate 35,000 additional jobs and 4,000 new homes within the Enterprise Zone (EZ). The Mayor of London and the Mayor of Newham are jointly leading the regeneration of the area through its EZ status, which is funded through the ringfencing of business-rate income collected within the EZ. The EZ is projected to deliver over 7m square feet of commercial space, primarily at three key development sites: Royal Albert Dock, Silvertown and Albert Island.
- 1.2 The former London Economic Action Partnership Board endorsed the Royal Docks EZ Delivery Plan in June 2018. The Mayor approved (under cover of MD2338) expenditure of up to £212.5m for the Royal Docks EZ Delivery Plan to deliver an integrated and catalytic package of transport infrastructure, connectivity, economic development, placemaking, estate management and creative programming projects that will deliver the cohesive transformation of the Royal Docks and accelerate the delivery of EZ commercial space. The Mayor has also delegated authority to the Executive Director of Housing and Land to approve, through Director's Decisions (DD), the income and detailed spending proposals for each project that is to be funded within this initial £212.5m expenditure budget envelope.
- 1.3 Founded in Boston in 2009, Mass Challenge connects start-ups, experts, corporations and communities to grow and transform businesses and economies. Using its unique equity-free model, it has successfully accelerated high-impact start-ups across the world. It has identified entrepreneurship as critical to driving progress against humanity's greatest challenges, creating opportunities for individuals, and generating jobs for the economy.
- 1.4 With hubs in the United States, Israel, Mexico and Switzerland, Mass Challenge is now seeking to establish a London hub, based in the Royal Docks, where it can realise its mission to 'equip bold entrepreneurs from all backgrounds to disrupt the status quo and create meaningful change'.
- 1.5 Mass Challenge's global network of innovators is comprised of founders, experts, donors and partners. It has invited the Royal Docks to become a UK partner, in order to help establish a base for it to build and accelerate innovation practices, and drive business growth across London.
- 1.6 In January 2023, the Royal Docks team worked with Mass Challenge Switzerland (MCS) and the University of East London (UEL) to host a briefing at City Hall. This event outlined the premise of a UK business accelerator programme to an audience that included potential corporate partners and stakeholders. It led to the idea for a pilot from which the concept of a Mass Challenge operation could hopefully be proven, and a full programme developed thereafter.

#### Context

- 1.7 The Royal Docks Centre for Sustainability (RDCS) at UEL – which the Royal Docks EZ has agreed to part fund – is due to open at the end of 2023. The RDCS seeks to become an inclusive hatchery for the EZ that will resource and connect the regional innovation ecosystem of the Royal Docks. It will do so through its physical space, and its range of business support, skills development and community wealth-building programmes.
- 1.8 The RDCS is an early project in the Royal Docks. It is hoped to be one of many projects that realise the ambition for the area to become a regional home for urban tech and sustainability, in line with the Royal Docks Economic Purpose.
- 1.9 The RDCS is, in part, designed to be a vehicle through which the EZ can test and realise some of its ambitions for the new and evolving Royal Docks economy. Part of this is inclusive business growth,

local entrepreneurialism and innovation. These ambitions can be achieved through, among other means, business incubation and acceleration.

- 1.10 Partnering with Mass Challenge offers an opportunity to do this with an established global partner in this field, whose ethos aligns with the EZ. Whilst not directly supporting (physically) the pilot, UEL is expected to host the pilot programme manager, and become the physical home to any resultant longer-term accelerator programme. From this perspective, supporting the pilot is done with a view to helping make the RDCS a success from 2024 onwards, as it represents a key vehicle through which the Royal Docks' ambitions can be realised.

#### Mass Challenge pilot

- 1.11 MCS launched in 2016 as a non-profit start-up accelerator with a mission to help entrepreneurs add value to society. It is part of the Mass Challenge global network of zero-equity start-up accelerators.
- 1.12 MCS is seeking to partner with UEL, Royal Docks EZ and other corporate partners to create a small, five-strong start-up pilot cohort in London. The objective of the pilot is to prove the concept of a Mass Challenge programme in the Docks, and prepare for the launch of a UK accelerator hub for Mass Challenge in 2024.
- 1.13 The theme of the pilot accelerator is artificial intelligence (AI), and it is expected that start-ups from all aspects of AI/machine learning/digitisation will apply to participate. The AI theme covers a vast range of key applications, including the decarbonisation of industry and society; food-system transformation; sustainable mobility; maritime; and energy-demand reduction. Each of these are aligned to the core urban tech ambitions of the Royal Docks EZ. The pilot accelerator is also very closely linked to the ambitions of Newham Sparks.
- 1.14 The pilot will link to the 2023 Switzerland cohort, and will offer the same benefits (advisory services, mentoring, networking and access to potential partners and investors).
- 1.15 The Bühler Group is a key partner in this programme, and the Mass Challenge delivery team is led by the Bühler Chief Technology Officer. This pilot will be housed at the Bühler HQ in the Royal Docks, with free accommodation. Private match funding has been secured from Bosch, Siemens and Whitworth Bros at £17,500 each.
- 1.16 This decision form seeks approval for the Royal Docks to formally partner with MCS to deliver the AI business accelerator pilot in 2023, by investing £15,000 revenue funding alongside other corporate partners.

## **2. Objectives and expected outcomes**

- 2.1 The pilot will link to the 2023 Switzerland cohort and offer up to five organisations the same benefits of advisory services, mentoring, networking and access to potential partners and investors.
- 2.2 This pilot programme is a trailblazer for future, larger-scale Mass Challenge programmes based in the Royal Docks. The ultimate ambition is for the Royal Docks to become a leading global innovation ecosystem.
- 2.3 The Royal Docks team has already invested in the ambitions of UEL via the RDCS, which has an ambition to become an inclusive hatchery for green tech enterprise for the area. As previously indicated, a successful business incubation and accelerator programme such as Mass Challenge can support the success of the RDCS.
- 2.4 Partnering with Mass Challenge offers an opportunity to do this with an established global partner in this field, whose ethos aligns with the EZ.

## **3. Equality comments**

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public sector equality duty and must have 'due regard' to the need to: eliminate unlawful discrimination, harassment and victimisation; and advance equality of opportunity, and foster good relations, between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2 Mass Challenge is a not-for-profit organisation. Therefore, it is committed to using entrepreneurship as a means of improving society.
- 3.3 The pilot is unlikely to target businesses from specific backgrounds. This is because the pilot needs to explore the viability of the programme; and establish systems and operations in hope for full programme from 2024 onwards. It is expected that, should a full programme emerge, there will be a strong focus on ensuring local talent is encouraged and favoured. This would align it with the strategy of the RDCS, which similarly seeks to use its east London roots and connections as both its key defining feature and its greatest asset for success.

#### 4. Other considerations

##### Declarations of Interest

- 4.1 There are no known conflicts of interest to declare for those involved in the drafting or clearance of this Director's Decision.

##### Risks

Risk	Probability	Impact	Mitigation
Cannot secure additional suitable corporate partners due to the specialist scope of works	Low	High	<ul style="list-style-type: none"> <li>• Early soft market testing already undertaken, and 'enough' partners secured in principle.</li> <li>• Encouraging partnership amongst partner and other stakeholders.</li> <li>• Having a flexible delivery programme to reach market target.</li> <li>• Corporate partners already involved.</li> </ul>
Budget may be insufficient	Low	Medium	Flexible and reflective project management.
An insufficient number of start-ups apply to be part of the pilot	Low	Medium	Early engagement with potential start-ups; and developing a communications plan to promote pilot across the EZ and London more widely.
Insufficient quality and quantity of mentors	Medium	Medium	<ul style="list-style-type: none"> <li>• Pilot programme designed to identify where gaps in expertise may be.</li> <li>• A small cohort can rely on a small group of mentors.</li> <li>• Wider MCS global network to draw upon if necessary.</li> </ul>

##### Mayoral strategies and priorities

- 4.2 The programme has a strong focus on the objectives set by the Mayor of London in his Smarter London Together Strategy. It seeks to transform London into the smartest city in the world, providing a roadmap that outlines the Mayor's bolder approach to data innovation and digital technology. As part of this, there are five missions that help lay the foundations for future innovation, in way that helps ensure data and digital technologies are used to make London a fairer, more prosperous and more equal place for all Londoners. This programme positions the Royal Docks as a leader in mission

five, which seeks to improve city-wide collaboration by exploring new partnerships with the technology sector and business models.

- 4.3 There is also strong alignment with 'Newham Sparks' - the London Borough of Newham's Digital Strategy - which addresses the need to help investors, innovators, local residents, community groups and businesses to work with the borough to unlock the untapped potential of the borough's data economy. Further, the programme aligns with the UK government's intention to make Britain the world's leading data destination. It supports innovation to drive green growth; and sustains the government's pandemic recovery strategy as it builds back better to support the UK's future high growth, and its sustainable and innovative economy, with high productivity levels to compete internationally.
- 4.4 The Royal Docks team's ambition, through this programme, is to create a resilient local economy for the businesses and residents of the Royal Docks. It will do so by tackling the 'Helping Londoners into Good Work' mission in the London Recovery Programme, which aims to support Londoners into good jobs with a focus on sectors key to London's recovery.

## 5. Financial comments

- 5.1 The Assistant Director's approval is requested to support a pilot Mass Challenge accelerator programme in the Royal Docks and spend £15,000 on this pilot. The spend is expected to be incurred in 2023/24 and funding of this expenditure will be from the ringfenced business-rate income collected within the Enterprise Zone, as agreed in MD2338. However, current projection shows that the forecast business rates receivable from the RD Enterprise Zone will be lower than originally projected, therefore there is a risk that there would be insufficient business rates income generated from the RD Enterprise Zone to fund the planned expenditure for the RD programme. Any shortfall in income for 2023-24 will be met with funds from the Royal Docks Enterprise Zone Reserve Account, which holds sufficient balance to mitigate this risk.

## 6. Planned delivery approach and next steps

Activity	Timeline
Funding package approved	Autumn 2023
Pilot in delivery	Autumn 2023
Case made and funding secured for future programmes	Autumn 2023 onwards

## Appendices and supporting papers

None

### Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after approval or on the defer date.

### Part 1 Deferral:

**Is the publication of Part 1 of this approval to be deferred? NO**

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

### ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

#### Drafting officer:

Abdul Awwal has drafted this report in accordance with GLA procedures and confirms the following:

✓

#### Corporate Investment Board:

A summary of this decision was reviewed by the Corporate Investment Board on 27 November 2023.

✓

### ASSISTANT DIRECTOR, FINANCIAL SERVICES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

#### Signature:



#### Date:

28/11/2023

PP Tricia Clark on behalf of Anna Casbolt