

REQUEST FOR MAYORAL DECISION – MD2491

Title: The Mayor's Civic Innovation Challenge 2019

Executive Summary:

The Mayor (under cover of MD2286) approved in June 2018 expenditure of up to £250,000 on a 2018 pilot Civic Innovation Challenge. The pilot unlocked opportunities and funding for the development of entirely new tech products to address key challenges facing Londoners – from creating culturally representative dementia resources and tackling loneliness through to electric vehicle charging and increasing uptake in physical exercise.

Approval is sought to build on the 2018 pilot and develop Civic Innovation Challenge 2019, which will increase in scale at a lower cost to the GLA as well as directly involving Londoners in the design and delivery of the programme. £75,000 has been endorsed by the London Economic Action Partnership (LEAP), and officers are in the process of securing match funding from partner organisations. In addition, officers are also in the process of securing in-kind support and corporate sponsorship for the delivery and facilitation of the programme.

Decision:

That the Mayor:

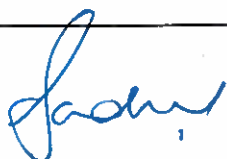
1. approves:
 - (a) the receipt of £60,000 from partner organisations as a contribution to the cost of three Civic Innovation Challenges;
 - (b) expenditure of up to £135,000 on designing, promoting and delivering three Civic Innovation Challenges, funded from LEAP budgets (£75,000) and partner contributions (£60,000 - subject to decision 1(a) above);
 - (c) the receipt of in-kind support in relation to the programme from the Social Tech Trust (with a value of up to £75,000); and
2. delegates, to the Head of Economic Development, authority to seek and receive further sponsorship (in cash or in kind) and to use such sponsorship to enhance the delivery of the programme (with the delegation to be exercised without the need for a further decision form).

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

15/8/19

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. The Mayor approved London's Civic Innovation Challenge pilot in June 2018 (under cover of MD2286) as a policy tool for delivering the Mayor's priorities outlined in the Economic Development Strategy – to support the growth and innovation of London's tech sector and to set strategic challenges for the tech community to solve. The programme employed a mission-led approach to match tech start-ups and SMEs with leading companies and public organisations to address pressing issues facing London: climate change, ageing population and inequality. Its key outputs included:
 - 6 high quality challenge partners who gave time and resource to support the programme. These were: Transport for London, Lloyds Banking Group, LB Hackney, LB Ealing, National Grid and an NHS Sustainability and Transformation Partnership;
 - between 12 and 50 hours of co-design contact time for each company on the programme;
 - 12 hours of direct business support provided to the cohort;
 - 7 projects funded £15,000 to deploy the learning from co-design; and
 - a high-profile demo day attended by investors, public sector leaders and representatives of the tech ecosystem.
- 1.2. Building on the success and learnings of the 2018 Civic Innovation Challenge, this year we will scale the programme by increasing the number of companies supported during the "Open Innovation" phase to 40 – meaning many more companies can take part in co-design. We will also scale the delivery of each winning project by increasing the budget envelope available to each challenge to £40,000 (from £15,000 in 2018), albeit for 3 contracts (rather than 7 grants as in 2019).
- 1.3. All of this will be achieved at a lower cost to the GLA – more companies being supported through the co-design phase, and better projects delivered by the winners. The learnings from the delivery of the pilot will be incorporated into the design of this year's programme, specifically:
 - The co-design phase resulted in new products being designed, existing ones refined and business opportunities emerging even for those companies that did not receive the grant funding. To capitalise on this, we will increase the number of companies taking part in the "Open Innovation" phase to 40, which will increase the amount of co-design and opportunity creation the process can catalyse.
 - Contracts, rather than prizes in the form of grants will offer greater value to the start-ups on the programme, in the form of greater potential traction for their products. These will follow best practice in procurement and innovation.
 - Working with Talk London allowed us to involve Londoners, which proved to be quite beneficial for SMEs. This year, we will focus on helping SMEs to develop solutions that put user-centric design at the forefront of the process – making sure Londoner's needs are built into products and services, and where they have business-to-customer or business to business to customer models, we will do this by involving Londoners – including through user testing.
- 1.4. Officers are in the process of securing like-for-like cash match funding contributions from partner organisations to deliver the project at a greater scale. In addition, officers are in the process of securing match in terms of in-kind support for the delivery and facilitation of the programme. The project will also seek corporate sponsorship to enhance the delivery of the programme. This includes the use of additional funding on events, improving marketing and outreach, and providing business support to a larger cohort of companies.

2. Objectives and expected outcomes

2.1. The Mayor's Civic Innovation Challenge is a mission-led business support programme, aimed at creating markets for innovative SMEs focused on solving some of the big challenges facing London.

2.2. The objectives of the programme are to:

- direct London's tech SMEs towards solving the challenges facing London and Londoners;
- stimulate the creation of new markets and increase growth amongst SMEs;
- support the co-design and co-development of innovation with the end market;
- bridge the 'risk gap' between large organisations with business problems, and SMEs who have the solutions;
- improve the uptake of best practice amongst SMEs, including building user-centricity into their products through the Service Level Standard, and raising awareness of the Good Work Standard amongst the SME community; and
- establish itself as an annual programme and the flagship Mayoral tech business support programme channelling tech for social good on a larger scale.

2.3. These objectives will be achieved through the following outputs:

- Three Civic Innovation Challenges designed alongside challenge partners. These will reflect market need, align with Mayoral strategy and will require the involvement of Londoners in their solution.
- An 'Open Innovation' phase involving co-design, learning and access to market for at least 40 qualifying companies to refine their ideas and products with a view to the needs and requirements of their end market. All selected SMEs will take part in a series of workshops, including:
 - access to the expertise, insight, cutting-edge data and pilot sites of the challenge partners;
 - proposal drafting support;
 - support to take up the Service Level Standard and the Good Work Standard;
 - learning about user-centric design; and
 - opportunities to involve Londoners at the co-design and delivery stages – including through user testing.
- A high-profile demo day, with at least 10 selected SMEs presenting their innovations to a selected crowd of investors, buyers and media.
- Three SMEs – or consortia of SMEs – will each receive a contract for services and supplies for up to £40,000 for a project which is to be delivered with a challenge partner (50% of the costs of which will be funded by third party partners).
- As well as providing business support to high performing SMEs, the programme may provide partners with:
 - awareness of technologies likely to disrupt and augment their current processes;
 - an opportunity to integrate a new solution which could improve productivity or provide capabilities which were previously not available.

2.4. The table below sets out how the funding will be used:

Funding	Use of Funding	Cost Owner
£75,000	Delivery of programme and open innovation phase	Social Tech Trust - In-kind support (income secured)
£15,000	Marketing and events; demo day	GLA LEAP Core budget
£120,000*	Distributed prize money	<ul style="list-style-type: none"> • £60,000 (3 x £20,000) from the GLA; • £60,000 (3 x £20,000) match funding from challenge partners (income).

** up to £120,000 depending upon GLA's ability to secure challenge partner contributions*

3. Equality comments

- 3.1. Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2. The Civic Innovation Challenge will look to maximise its positive impact on equality for all Londoners through addressing key issues such as the under-representation of people of BAME origin in the tech sector: we will aim to capture this data in surveys during the programme to ensure that diversity and inclusion is monitored throughout. This will be achieved by promoting through a wide variety of channels to reach out to underrepresented groups and forming strategic partnerships with Tech Diversity associations.
- 3.3. The programme will promote the Good Work Standard amongst companies to encourage employers to adopt measures to make their businesses fairer, safer and more equal places to work. This includes ensuring businesses embrace key principles centred around fair pay and contracts; workforce wellbeing; skills and progression; and diversity and recruitment.
- 3.4. Events will be accessible and communication channels will be used to showcase and celebrate innovation across a diverse SME base. As part of delivery, officers will ensure that the nature of the services offered by tech SMEs will not impact individuals with protected characteristics in a negative way by ensuring that all parties are aware of their responsibilities under the Equality Act and that novel service delivery methods do not adversely impact on this.

4. Other considerations

a) Key Risks and Issues:

Risk	Likelihood	Impact	Mitigation
Not enough tech start-ups apply to the competition	Low	Medium	We will ensure a prominent announcement is made and applications to the process are administered through a well-used platform in the tech community. We will partner ahead of time with key players in the ecosystem and use existing networks and channels to ensure uptake, including through

			challenge partners and other stakeholders. We received over 120 applications in 2018 and would expect to build on this by drawing the challenges sufficiently wide to ensure they accommodate a wide number of solutions.
Companies chosen for support are not at the right stage for exploitation of the opportunity	Low	Medium	We will conduct a thorough due diligence process during the pre-selection stage, targeting companies which are ready for growth and are high innovation, have working products, and previous funding.
Procurement barriers prevent contract delivery	Medium	Medium	We will ensure that the programme is procurement compliant throughout by publishing, in an accessible format, all the information about the programme objectives and KPIs to ensure that no one party has a competitive advantage. We will ensure a sufficient number of companies are competing for each contract.
Match funding from external partners is not received / was reduced / delayed	Low	Medium	We will ensure that agreements are in place before challenge design; that outreach and negotiations with partners are begun ahead of time; and that appropriate agreements are in place to secure funding commitments from external partners. If we are ultimately unable to secure match, the size of the contract will be adjusted, or the number of prizes reduced.

b) Links to Mayoral Strategies and Priorities

- 4.1 The Objectives and outcomes of this programme are fully aligned with the following commitments from the Mayor's Economic Development Strategy:
- Support the tech and digital sector, which is helping drive innovation across all sectors of the economy and providing platforms for entire new industries, business models and services;
 - Stimulating innovation across the tech sector to solve London's challenges and supporting co-design with Londoners and the market;
 - Helping London's entrepreneurs to innovate with data and technology; and
 - Make London a global testbed for tech-driven solutions to public service challenges and global environmental challenges.
- 4.2 Through supporting SMEs to access the market and co-design their innovations, the 2018 pilot programme helped to meet the Mayor's Manifesto pledge to "take tech to the next level" by removing barriers to growth. This year the programme will scale in every dimension – increasing the

value of the projects, bringing in more partners and delivering even greater benefits for London and Londoners.

- 4.3 The Civic Innovation Challenge is, by design, a means of identifying alignment between Mayoral priorities and market demand, and incentivising London's innovators to solve these problems. Each challenge is co-designed with policy teams across the GLA Family, potentially including Transport, Environment, the Mayor's Office for Policing and Crime, Planning and Sport Unites. The challenges will also align with the Mayor's Smarter London Together Roadmap, including supporting one of its key missions: to create more user-designed services.

5. Financial comments

- 5.1 Approval is sought for expenditure of £135,000 in 2019-20 financial year to deliver the Mayor's Civic Innovation Challenge project.
- 5.2 The Mayor's Civic Innovation Challenge project will be part funded by the LEAP budget (£75,000) and subject to the securing of partner contributions (£60,000).
- 5.3 The Mayor previously approved (under cover of MD2286) expenditure of up to £250,000 on the pilot Civic Innovation Challenge.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the powers of the GLA, under the Greater London Authority Act 1999 ("the Act"), to do such things as may be considered to be facilitative of or conducive or incidental to the promotion of economic development and wealth creation in Greater London; and
- 6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - (c) consult with appropriate bodies.
- 6.2 The Mayor may, under section 38 of the Act, delegate the exercise of the GLA's functions to the Head of Economic Development as proposed, should he so wish.
- 6.3 The GLA may seek sponsorship when exercising its general powers under its power to charge third parties for discretionary services under section 93 of the Local Government Act 2003 provided that the charges levied do not exceed the costs of provision. If the delegation proposed in this report be approved, the entry into such sponsorship arrangements may be approved by the Head of Economic Development who may also execute such sponsorship agreements governing those arrangements without the need for further ADD/DD/MD approvals.
- 6.4 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty - namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010 and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age,

sexual orientation, religion) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

6.5 Should the Mayor be minded to make the decisions sought, officers must ensure that:

6.5.1 appropriate arrangements are entered into between and binding agreements executed by the GLA and:

- (a) challenge partners before any reliance is placed upon their contribution to the costs of the programme; and
- (b) Social Tech Trust before any reliance is placed upon their provision of programme support; and

6.5.2 sponsorship is sought in accordance with the sponsorship policy and appropriate sponsorship agreements are put in between and executed by the GLA and sponsor(s) before any reliance is placed on the sponsorship income and/or benefits in kind;

6.5.3 to the extent that it is proposed that any of the expenditure is to be incurred on the procurement of services or supplies, the services and/or supplies are procured in accordance with the GLA's Contracts and Funding Code, in liaison with TfL Commercial, and that appropriate contract documentation is put in place with suppliers before the commencement of any such services and/or supplies; and

6.5.4 to the extent that it is proposed that a GLA Functional Body act as a challenge partner and make a contribution toward programme costs, further Mayoral approval is obtained (pursuant to section 121 of the Act) before acceptance of/or reliance is placed upon the same.

7. Planned delivery approach and next steps

Activity	Timeline
Announcement	September 2019
Launch for applications	September 2019
Open innovation phase	November and December 2019
Demo day and announcement of winners	January 2020
Delivery of projects	February and March 2020
Project Closure	April 2020

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: In order to ensure officers have sufficient time to conclude contractual negotiations with Challenge Partners ahead of launch.

Until what date: (a date is required if deferring): 10 September 2019

Part 2 - Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:

Maria Gętar has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

Debbie Jackson has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

Mayoral Adviser:

Rajesh Agrawal has been consulted about the proposal and agrees the recommendations. ✓

Advice:

The Finance and Legal teams have commented on this proposal. ✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 12 August 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

M.D. A
Tom Middleton on behalf of Martin Clarke 13.08.19

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date

D. Bellamy

13/8/2019.