

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2387

Title: Sharing Cities (H2020) – Development of the Sharing Cities Decision Support Tool (DST)

Executive Summary:

MD1574 approved the GLA's acceptance of a grant award of €24,988,759 (€2.4m of funding was awarded for specific GLA activities) from the European Commission and approved expenditure at a high-level for the period January 2016 to January 2020 for the coordination and delivery of the 'Sharing Cities' programme.

To support the programme's strategic aim of replicating and scaling up the programme's technology from a demonstrator level to city wide adoption, this ADD seeks approval for expenditure of up to £25,000 to commission SMAART Finance to complete the development of the detailed economic modelling of Sharing Cities smart measures, focusing on Smart Lampposts, Public Housing retrofits and E-Bikes.

The first stage of this work was commissioned under the cover of ADD2282 where the Revolving Investment in Cities in Europe (RICE) project provided £18,920 for the first stage of the tool's development.

Decision:

The Assistant Director of Intelligence and Analysis approves:

1. Expenditure of up to £25,000 for consultancy services (provided by SMAART Finance) to provide specialist economic modelling services to complete the development of the Decision Support Tool; and
2. a related exemption from the GLA's Contracts and Funding Code in order that the above services be procured without a competitive exercise (i.e. a single source exemption).

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

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: Jeremy Skinner

Position: Assistant Director,
Intelligence & Analysis

Signature:



Date: 10.12.2019

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 In September 2015, the European Commission (EC) awarded the GLA and a consortium of 34 European partners a grant award to deliver the Horizon 2020 (H2020) Smart Cities and Communities “Lighthouse Project” programme. This five-year programme supports the implementation and integration of very near-to-market smart city technologies and systems, to maximise their benefit in demonstrator areas and prove their replicability across wider city environments.
- 1.2 The project aims to develop, deploy and integrate replicable solutions in the energy, transport, data and ICT sectors in each of the three lead cities of London, Milan, and Lisbon. A further three ‘fellow’ cities – Burgas, Bordeaux and Warsaw are actively involved with the three lead cities to validate city service designs and implement a number of specific solutions.
- 1.3 A total of €24,988,759 has been awarded by the European Commission to the consortium with €2.4m of funding awarded for specific GLA activities, €2.7m to the Royal Borough of Greenwich (RBG) and €1.3m to other London partners.
- 1.4 The programme aims to implement a number of measures in each of the ‘lighthouse’ cities. These include:
 - Smart Lampposts – integrated smart lighting with other smart service infrastructures (eV charge; smart parking; traffic sensing; flow data; WiFi etc).
 - Shared eMobility – a portfolio of inter-connected initiatives supporting the shift to low carbon shared mobility solutions, specifically: eV Car-Sharing; e-Bikes; eV Charging; Smart Parking; eLogistics.
 - Integrated Energy Management System – system to integrate and optimise energy from all sources in districts (and interface with city-wide system); including demand response measures.
 - Urban Sharing Platform (USP) – a data platform to manage data from a wide range of sources including sensors as well as traditional statistics; built using common principles, open technologies and standards.
- 1.5 Alongside implementation in the programme’s demonstration areas, the programme is aiming to scale up and replicate such measures to other boroughs and cities.
- 1.6 In October 2018, the Sharing Cities and RICE programmes jointly commissioned (ADD2282) the first stage of the development of a detailed economic modelling of Sharing Cities smart measures to support the programme in building accurate and effective business models and to create a tool for boroughs to use. Focusing on Smart Lampposts, Public Housing retrofits and E-Bikes, the economic modelling of these measures was developed to show the level of funding needed, the other costs associated and what benefits emerge from this technology to other cities and to borough decision makers. Furthermore, the work explored the benefits of scale in these models, demonstrating the impact that joint procurement across multiple authorities can have and the impact of upfront funding versus long term financing on the measures being implemented.
- 1.7 With the RICE programme now at an end, the Sharing Cities programme needs to fund the completion of the economic modelling of the Sharing Cities measures. The supplier is required to deliver a menu of Use Cases and a Cost Benefit Analysis (CBA) tool addressing both financial and socio-economic impacts. This tool, the Decision Support Tool, will follow HM Treasury “Green Book”

guidelines & procedures and assist Borough/City Managers to make better informed decisions on smart measures/use case relevant to their local context. Stage 2 of this work will focus on Model Prototyping & Validation and the handover of all development materials to the GLA.

- 1.8 The original intention was to fund the tool's continued development through the Sharing Cities programme by transferring part of the GLA's programme grant budget (EC funded) to UrbanDNA (a programme partner on Sharing Cities who had recruited the consultant for the first stage of the tool's development) to re-engage the consultant to complete this work. The consultant has been working to complete the toolkit on this basis.
- 1.9 Following legal advice however, legal officers have concluded that this method may compromise the GLA's ownership of the final work. Under the terms of the GLA's Sharing Cities Grant Agreement with the EC, the partner would have grounds to claim that the results were jointly created (shared ownership). To avoid this, TfL Legal advice has been obtained by GLA officers to establish a contract for services with the preferred supplier which would protect the GLA's rights to the results.
- 1.10 Section 9 of the GLA's Contracts and Funding Code requires where the expected value of a contract for services is between £10,000 and £150,000, that the services required should be procured competitively. However, Section 10 provides that an exemption from this requirement may be approved where a supplier has had previous involvement in a specific current project or the where the work proposed is a continuation of existing work, which cannot be separated from the new work. To this end, the consultant's direct involvement in the first stages of the work provide for an exemption. Officers have liaised with TfL Procurement who have agreed an exemption would be appropriate. TfL Procurement have also undertaken to support GLA officers to ensure that the appropriate contractual documents are put in place.

2. Objectives and expected outcomes

- 2.1 The objectives of this work are to:
- Develop a holistic economic model for the technology created as part of the Sharing Cities programme. This will consider not only the direct economic benefits and return on investment this technology will bring, but also wider economic benefits, social benefits and environmental benefits.
 - Create a tool for London boroughs to use which enables them to develop a business model specific to their area.
 - Determine the benefits of scale for the technology developed in the Sharing Cities programme in order to promote collaboration on procurement.
 - Develop cross-border investment products and frameworks.
 - Increase uptake of smart solutions by city officers by promoting innovation in service delivery.

3. Equality comments

- 3.1 The public-sector equality duty requires the identification and evaluation of the likely potential impacts, both Under Section 149 of the Equality Act 2010 (the "Equality Act") as public authorities, the Mayor and the GLA must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status. No particular effects of this proposed decision, positive or negative, are foreseen on persons with a protected characteristic under the Equality Act.

- 3.2 The programme's aims of introducing innovations in technology and improving the use of data are presenting new ways of meeting peoples' needs in urban landscapes. These technologies have the potential to transform the efficiency of city operations; city-level decision making; and the relationships with people and businesses to improve sustainability; while at the same time addressing resource pressures faced by communities and authorities.
- 3.3 An increased emphasis on technological solutions can have positive impacts on people with protected characteristics. Green buildings and improved infrastructure will cut carbon emissions, and alongside information about NOx emissions will improve health outcomes for Londoners. Smart-parking, self-driving cars and e-bike services can specifically support people with certain disabilities, while access to shared vehicles can increase mobility for those on low incomes.

4. Other considerations

- 4.1 The project directly contributes to the delivery of the Mayor's key strategic objectives of the Smarter London Together Roadmap which aims to deliver world class connectivity and smarter streets and to solve London's environment challenges by bringing together people, technology and data.
- 4.2 A number of London boroughs have been consulted on the development of this tool to ascertain the need and purpose of the application.
- 4.3 GLA Officers are not aware of any conflicts of interest that may undermine the award of this work to the preferred supplier. Off-payroll working rules (IR35) do not apply.
- 4.4 The need to commission another entity could severely impact the project's timeline as the programme is now ready to engage with the targeted audience to utilise the tool developed. A number of London boroughs have shown a great interest in this toolkit and have committed to testing it. The award of this contract to the preferred supplier mitigates the risk of further delay.

5. Financial comments

- 5.1 This decision seeks approval of expenditure of up to £25,000 on consultancy services to provide specialist economic modelling services to complete the development of the Decision Support.
- 5.2 The expenditure of up to £25,000 will be funded from the 2019-20 H2020 Programme budget within the Intelligence Unit, where a full reimbursement of costs will be submitted and reclaimed from the European Commission (EC).

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the activity in respect of which approval is sought may be considered to be facilitative of and conducive to the exercise of the GLA's general powers to undertake such activity as may be considered to promote the improvement of the environment in Greater London and 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 In taking the decisions requested, the Assistant Director 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 or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Assistant Director should have particular regard to section 3 (above) of this report.
- 6.3 Section 9 of the GLA Contracts and Funding Code (the 'Code') requires the GLA to call off the services required from an accessible framework or conduct a competitive procurement exercise for the same. The assistant director may however, approve an exemption from this requirement under section 10 of the Code upon certain specified grounds. One of those grounds is that an exemption may be approved where a supplier has had previous involvement in a specific current project or the where the work proposed is a continuation of existing work, which cannot be separated from the new work. Officers have indicated at section 1 of this report that this ground applies. The Assistant Director may therefore, approve the exemption proposed if satisfied with the supporting content of this report.
- 6.4 Should the approvals sought be granted officers must ensure that appropriate contract documentation is put in place and executed by the GLA and the supplier (Mr Herve Solignac) before the commencement of the services

7. Planned delivery approach and next steps

Deliverables	Schedule – 2019
Execution of contract	November 2019
Final Report – Exec. Summary, Methodological Framework, London Simulation Case	November 2019
Handover of all development material to the GLA	December 2019

Appendices and supporting papers:

None.

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? NO

Until what date:

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:

Sandeep Duggal has drafted this report in accordance with GLA procedures and confirms the following:

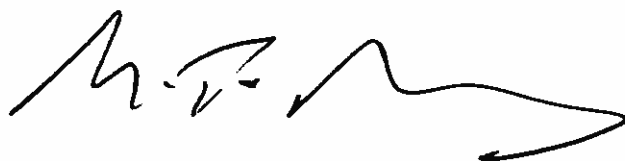
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 9 December 2019.

ASSISTANT DIRECTOR OF FINANCE AND GOVERNANCE:

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

Signature



Date

09.12.19