

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2320

### Title: London Technology Acceleration Service

#### Executive Summary:

On 1 November, the LEAP Programme Board endorsed expenditure of £75,000 on supplies and services to increase adoption of cutting-edge technologies amongst SMEs in London's 'everyday economy'.

The project responds to a need expressed in response to the consultation on the Mayor's Economic Development Strategy – which called for more support for SME adoption of new technologies. As London develops its Local Industrial Strategy, it is vital to harness the city's leadership in technology, which can be a key driver of inclusive growth in all sectors, as long as they are given the right support, such as this investment aims to.

The London Technology Acceleration Service will help companies in sectors such as social care, hospitality, retail, leisure and entertainment, construction and others to understand the benefits to their companies in terms of productivity, sales and security. It will achieve this through an online diagnostic tool, a curated list of technology vendors with SME-appropriate descriptors, an 'ROI calculator' and a series of technology demonstration events.

#### Decision:

The Director of Development, Enterprise and Environment approves:

Expenditure of £75,000 on supplies and services required to deliver the London Technology Acceleration Service.

#### AUTHORISING 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:** Lucy Owen

**Position:** Executive Director, Development, Enterprise and Environment

**Signature:**



**Date:**

29/1/19

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

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

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

- 1.1 SMEs in London's 'everyday economy' – including sectors such as retail, hospitality, tourism, construction, health and social care – suffer from both lower productivity and lower investment in productivity-enhancing technologies.
- 1.2 High-tech, data-driven technologies such as artificial intelligence, augmented reality, cyber security and IoT (internet-of-things) have been recognised as having the potential to bring significant productivity increases – according to an independent Government report<sup>1</sup>, by as much as 30% in some sectors.
- 1.3 Adoption of these technologies is low amongst SMEs because in addition to making the necessary decisions for investment in technology, these technologies are poorly understood and SMEs do not have the ability to calculate an ROI or understand the products currently available to them.
- 1.4 At the LEAP meeting held on 18.09.18, LEAP endorsed the Paper 'Building on London's Lead in Artificial Intelligence', which recommended the creation of an 'adoption service' aimed at SMEs in the 'everyday economy'.
- 1.5 The London Technology Acceleration Service (working title) will bridge the knowledge gap for high-tech productivity-enhancing products and services, and equip London's SMEs with the knowledge and information they require to make a decision on whether to adopt new technologies.
- 1.6 The LTAS will take the form of an online tool, hosted on the London Growth Hub, which, through a basic logic flow will suggest a series of treatments, aimed at informing SMEs about new technology products relevant to their needs.
- 1.7 These treatments will take the form of:
  - 1.7.1 A curated list of technology vendors, along with clear and standardised information on their use-case and cost;
  - 1.7.2 An ROI calculator, which will allow SMEs to directly ascertain how long it will take for each given tech product to represent a return on investment for them, based on current projections;
  - 1.7.3 Case-studies tailored to the SMEs and their industry sector, demonstrating how different technologies have been successfully implemented in comparable companies; and
  - 1.7.4 A series of at least 4 technology demonstrator events to engage SMEs in different technology areas and offer 1-2-1 sessions with technology vendors to showcase how the technology can support their business model.
- 1.8 This proposal was agreed by the LEAP Programme Board on 1 November 2018.
- 1.9 The ambition is for LTAS to be the broker of a functioning and trusted marketplace for high-tech products and services aimed at SMEs in London's everyday economy.

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<sup>1</sup>'Growing the Artificial Intelligence Industry in the UK' 2018

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/652097/Growing\\_the\\_artificial\\_intelligence\\_industry\\_in\\_the\\_UK.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/652097/Growing_the_artificial_intelligence_industry_in_the_UK.pdf)

## 2. Objectives and expected outcomes

### 2.1 Overview of the project:

- 2.1.1 The LTAS will create an engagement, information and signposting service aimed at giving SMEs in London's 'everyday economy' access to the best new technologies in AI, IoT, cyber security and other technology areas. The technologies that will be supported will be mature and offer substantial productivity gains tailored to SMEs in different industry areas. The aim is to address the current low adoption rates due to the lack of understanding of these technologies, and inability to calculate an ROI on investment in high-tech products and services.
- 2.1.2 The activities comprising this project will be delivered primarily by the GLA, through the Growth Hub. However, we will go to tender for expertise in delivering the standardised tech vendor list in order to match business need with technology vendor, and we will seek an external designer to create tailored case study templates to demonstrate use cases.
- 2.1.3 The events will take place in City Hall subject to space availability, and we will seek external space and sponsorship for events where possible.
- 2.1.4 The principle beneficiaries will be SMEs operating across London's everyday economy. We define this as including (but not necessarily limited to) retail, hospitality, tourism, health and social care and construction.
- 2.1.5 The LTAS is a scalable pilot. The funding, as set out below, will establish the basis of a service which can be expanded to cover a greater number of technology areas and to target a greater number of sectors. The ambition is that the LTAS will become the marketplace for high-tech products and services aimed at SMEs in London's everyday economy. The model also has the potential to become sustainable over the long-term and self-funded through the use of technology vendor referral fees.

### 2.2 These objectives will be achieved through the following outputs,

Output Description	Output measure
Technology demonstrator events, with 121 sessions with technology vendors	<ul style="list-style-type: none"><li>• 4 events</li><li>• 50 SME attendees at each event</li></ul>
Online ROI calculator and triage tool	<ul style="list-style-type: none"><li>• 100 SMEs registered and signed up</li></ul>
Creation of case studies template, and development by tech vendors	<ul style="list-style-type: none"><li>• At least 10 case studies, developed in partnership with tech vendors,</li><li>• Downloaded by 100 SMEs.</li></ul>
Curation of a list of high-tech vendors, plus standardised profile of product, use case, target industry, cost and cost structure	<ul style="list-style-type: none"><li>• We will aim to have 30 tech vendors listed, with key information points covering their products and information</li></ul>

### 2.3 The table below sets out how the funding will be used:

<b>Cost:</b>	<b>Amount:</b>	<b>Delivered by:</b>
Events and Marketing	£10,000	GLA
Web development including ROI Calculator	£7,000	GLA / Growth Hub
Creation of curated supplier methodology and list	£55,000	External supplier to be competitively tendered
Design for standardised 'case study'	£3,000	External designer
<b>Total: £75,000</b>		

### 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 to 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 Gender Equality and Equal Opportunities are enshrined within the GLA's programmes and activities according to the Mayor's Framework for Equal Life Chances (June 2014) and the Mayor's draft Diversity and Inclusion Strategy.
- 3.3 As part of the work of the Growth Hub (as described in MD2359) officers have committed to hold a series of roundtables with BAME, LGBT and disabled women to establish the barriers to business growth faced by these groups. The findings of these roundtables will input and inform project design. Moreover, The events, and the preparation for the events will include work to establish what barriers exist with regard to technology adoption amongst SMEs led by individuals with protected characteristics.
- 3.4 The online information provided as part of the programme will sit alongside the wider Growth Hub offering, which includes specific events for women, BAME and other under-represented groups.
- 3.5 As part of the service, information will be provided on the forthcoming Mayor's Good Work Standard, which will help employers find information on how companies can make their workplaces more friendly to those with protected characteristics.

### 4. Other considerations

#### *Key Risks and Issues*

- 4.1 The below risk register outlines the major risks to the project:

<b>Risk</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
Resource is underutilised	Senior Policy Officer Technology / Growth Hub	Low	Medium	In order to ensure the maximum ROI in terms of companies using the service, we will reach out to partner organisations, sector-specific and small business-focused media.
Low adoption rates	Senior Policy	Low	Medium	We will ensure that the technologies and vendors listed

	Officer Technology / tech companies			are at the correct price point, and have had proven success in comparable instances. We will also monitor through voluntary surveys, rates of adoption.
Tech vendors are unable to deal with number of referrals	Senior Policy Officer Technology / tech companies	Low	Medium	We will ensure that the vendors listed are able to cope with a spike in demand, and structure the referrals in the most efficient manner possible (i.e. gathering relevant information online).

### *Market making*

- 4.2 The list technology vendors is necessary to overcome the lack of SME-appropriate information which exists in the market. Providing standardised and easy to understand information to the market will help overcome the lack of knowledge many SMEs have, and the inability to calculate ROI effectively on new investments.
- 4.3 However, we will be clear that the GLA does not warrant or endorse any particular products, services or services.
- 4.4 The list of companies will remain open to new entrants.

### *Links to Mayoral Strategies and Priorities*

- 4.5 The public consultation response to the Mayor's draft Economic Development Strategy raised the need for business support cross sector to raise awareness of the potential impacts of and opportunities provided by disruptive technology on their future business and to provide support to apply some of these new technologies. The LTAS is a direct response to the expression of this need.
- 4.6 This proposal also responds to the Industrial Strategy, which called on all LEPs to do more to boost productivity locally and nationally.
- 4.7 The aim of the LTAS is to ensure that all companies operating across London's lower value sectors can access productivity enhancing technologies. At the same time, the programme will create new markets for London's technology suppliers, growing London's technology sector as a whole.
- 4.8 LTAS also builds on *London: The AI Growth Capital of Europe*, as this project will help drive market creation for AI vendors in London, further boosting the capital's AI sector – the majority of whom themselves are SMEs.
- 4.9 New technologies such as Artificial Intelligence, IoT (the Internet of Things), augmented reality – and in the future, blockchain – will drive productivity across London's economy, however there are also concerns about the impact of these technologies on jobs. The focus of the LTAS is on use cases which will augment the value of existing workers rather replace workers through automation. By raising productivity it is hoped that firms will be supported to raise wages and working conditions.
- 4.10 All vendors taking part in the LTAS will be provided with information and support to access the Mayor's Good Work Standard.

### *Staffing and capacity*

- 4.11 This project will be managed and delivered by the Senior Policy Officer for Technology and the Senior Policy Officer for Technology - Delivery. The work dovetails well into other work ongoing – for instance the BEIS Business Basics project, meaning there will be an economy of scale in terms of officer time.
- 4.12 Support, clearance and governance will be provided by the Industry & Innovation team manager, the Assistant Director for Regeneration and Economic Development, and the Head of Economic Development.

## **5. Financial comments**

- 5.1 The estimated cost of £75,000 for this project will be funded from the LEAP Strategies budget for 2019-20 subject to the 2019-20 budget process currently underway.
- 5.2 Officers will seek match funding to scale the project in terms of content and outreach to companies in London, including sponsorship income where applicable. If secured, this and the associated expenditure will be subject to further approval via the Authority's decision-making process.

## **6. Legal Comments**

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the director concern the exercise of the GLA's general powers, falling within the statutory powers of the GLA to do such things as may be considered to further, and or be facilitative of or conducive or incidental to the furthering of, 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 In taking the decisions requested, the 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 director should have particular regard to section 3 (above) of this report.
- 6.3 Officers must ensure that the supplies and services required are procured competitively in accordance with the GLA's Contracts and Funding Code in liaison with TfL Commercial and that contracts are entered into an executed by the GLA and the successful bidder(s) prior to the commencement of such supply and services.

## 7. Planned delivery approach and next steps

Activity	Timeline
Director Decision	January 2019
Announcement:	The Mayor made a soft announcement of the intention in November 2018 alongside the publication of the EDS.
Procurement of contract:	Feb 2019
Launch	March 2019
Delivery Start Date	April 2019
Delivery End Date:	Feb 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 (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 either be published 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? YES**

This DD contains information which if published prior to the completion of the procurement of the required supplies and services would prejudice genuine competition for the same and the GLA's ability to secure value for money.

Until what date: 1 April 2019

**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:**

Nick Swanson has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service**

Debbie Jackson has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval

✓

**Financial and Legal advice:**

The finance and legal teams have commented on this proposal, and this decision reflects their comments.

✓

**Corporate Investment Board:**

The Corporate Investment Board reviewed this proposal on 28 January 2019.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. J. Allen*

Date

*30.1.19*