

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2373

Title: Support for the proposed London Office of Technology and Innovation

Executive Summary:

The establishment of the London Office of Technology and Innovation (LOTI) was proposed by the Mayor in his Smarter London Together Roadmap. LOTI is a new city-wide institution which aims to build common capabilities and collaboration opportunities to scale digital and smart technology across London's public services.

LOTI will initially comprise three full time members of staff plus a fund for specialist resources. Its guidance and outputs will be available to all London boroughs. Core LOTI members (London Councils, the GLA and those boroughs paying a membership fee) will benefit from working together to build digital capacity across London's public services and in delivering exemplar projects.

LOTI will be funded by a combination of membership fees, funding from the GLA and London Councils. It will be hosted initially by London Councils. It has a target launch date of April 2019.

Decision:

That the Mayor approves:

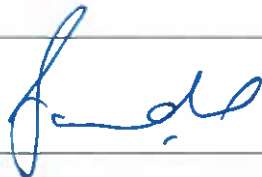
Expenditure of up to £30k for 2018/19 and up to £100k per year from 2019/20 to 2021/22 (£330k in total), with the right to terminate during 2020/21, as a contribution to London Councils' costs in establishing the London Office of Technology & Innovation.

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:

15/10/17

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

Decision required – supporting report

1 Introduction

- 1.1 This MD seeks approval from the Mayor for GLA expenditure by awarding grant funding to London Councils as a contribution to its costs of the London Office of Technology and Innovation (LOTI). This report outlines the proposed scope, rationale and funding model for LOTI. There has been extensive engagement on LOTI over the past three months with stakeholders. More detail on these elements and on LOTI's work plan, operating model, budget, funding schedule, benefits case and management arrangements can be read in full in the LOTI Business Plan (see Appendix A).
- 1.2 The Mayor authorised (under cover of **MD2301**) the launch of the Smarter London Together Roadmap. In the roadmap, a London Office of Technology & Innovation (LOTI) was proposed to "support collaboration on the design, standardisation and scaling of digital services and smart technology in public services".
- 1.3 The proposed LOTI project, arises from the findings of research jointly commissioned by GLA and London Councils and conducted by Arup, FutureGov and Stance in 2018 to explore the need for LOTI and how it could contribute to the Mayor's aims. This was authorised by the Executive Director, Communities and Intelligence (under cover of **DD2092**) as a scoping study for a London Office Of Technology and Innovation.
- 1.4 The business plan was developed in response to a request from the Chief Executives' London Committee (CELC) of local authorities. It builds on the work of the research above and has been prepared in close consultation with London Councils and individual boroughs which included an away-day of Chief Information Officers (CIO). It incorporates input from senior GLA officers, borough CIOs and stakeholders from London's technology sector.
- 1.5 LOTI will be funded by a combination of direct funding from the GLA and London Councils, and supported by membership fees to a 'Core LOTI' by six or more councils. It has a target launch date of April 2019. LOTI will have three full time members of staff plus a fund for specialist resources. LOTI will initially be based at London Councils.
- 1.6 LOTI will deliver six ongoing workstreams, designed to build digital, data and technology capacity across London public services:
 - **Digital leadership skills:** upskilling senior and middle managers and equipping political and senior leaders;
 - **Collective knowledge:** documenting impact and sharing best practice (e.g. service design, cyber security), and supporting market-shaping;
 - **Sharing & reusing:** better peer-to-peer digital networking for public servants and platform for sharing via GitHub, Slack; a base for 'Pipeline' platforms to act as libraries for new initiatives;
 - **Shared endeavour:** better collaboration with GovTech and Tech For Good sectors, university smart city labs, catapult centres, and co-ordination of innovation prizes;
 - **Embedding standards:** including Government Service Standard, Digital Marketplace, and G-Cloud to develop more consistent approaches and save money; and
 - **Data analytics coordination:** Project management for collaborative data analytics initiatives as the City Data Analytics Programme (as recorded in **ADD2168** under its former name of London Office of Data Analytics).

Core LOTI

- 1.7 'Core LOTI' is a test-bed, sub-set group of councils that will work closely together. By working together, spreading risk and concentrating resources, 'Core LOTI' councils will be able to do more together than alone. Membership involves committing to (a) an additional membership fee of £30k per year (b) signing of the Local Digital Declaration.
- 1.8 In addition to the above, 'Core LOTI' councils will decide a number of innovative projects and programmes to explore either all together or in combination. Projects suggested by our research include:
- Creating an open standards platform to be shared across boroughs, e.g. on specifications, module descriptions, APIs to save money and promote interoperability;
 - Innovation in cybersecurity;
 - Collaborative procurement reform;
 - Digital transformation of planning;
 - Joint working on smart infrastructure (e.g. lampposts for 5G, EV charging);
 - London-wide wifi for public sector staff; and
 - Digital apprenticeship programmes: entry-level skills and spending apprenticeship levy funds together more productively.

Funding model, the GLA's contribution and partnerships

- 1.9 LOTI's total budget when operational, is £440k per year for the next 3 years. This MD seeks approval of GLA expenditure of up to £30k for 2018/19 and up to £100k per year from 2019/20 to 2021/22 (around 23% of London Councils' LOTI running costs per year) by way of the award of grant funding to London Councils as a contribution to its costs of its LOTI project. London Councils will provide match funding (of £100k per year) and it is intended that 'core LOTI' councils will provide £30k per year each subject to those councils' own agreements with London Councils.
- 1.10 An incumbent administration cannot unduly fetter the discretion of a successor administration and so it is proposed that the funding agreement proceed on the basis of the GLA's provision of funding in the years 2018/19 to 2021/22 with an option exercisable at the GLA's sole discretion to cease the provision of funding during 2020/21.
- 1.11 In addition, the Chief Digital Officer for London, and the Smart London team, will provide assistance to London Councils to LOTI to ensure its success. To enable LOTI's data analytics coordination workstream, the GLA will also contribute the time of its data scientists from the Intelligence Unit to support the City Data Analytics Programme (DAP).
- 1.12 The start-up of LOTI during 2018/19 will require up to £30k to fund initial workshops, research, travel expenses, marketing and branding leading up to full operations in April 2019. The Mayor and Bloomberg Associates entered a partnership to support the Mayor's Smarter London Together Roadmap, and this support will continue during its implementation. Bloomberg have committed to provide in-kind support in 2018/19 for the set-up of LOTI.

2 Objectives and expected outcomes

Objectives

- 2.1 LOTI's mission is to improve public services and outcomes for Londoners through digital and smart technology. Its objectives are to: 1) Build common capabilities and collaboration opportunities; and 2) Scale digital and smart technologies across London's public services.
- 2.2 These objectives are designed to help realise the GLA's ambition for London to be the 'smartest city in the world' where:
- The cultural and technological conditions are in place for the next generation of local public services;
 - Digital technology is an enabler rather than a barrier to service improvements; and
 - Services are easy for citizens and officials to use, especially in priority areas such as housing, public safety and social care.

Expected Outcomes

- 2.3 The potential benefits of LOTI include:
- For the public:
 - Improved public services;
 - Increased citizen participation.
 - For boroughs and other delivery organisations:
 - Workforces with enhanced skills;
 - Increased staff productivity;
 - Reduced costs (including through economies of scale).
 - For the wider ecosystem:
 - Wide dissemination of learning;
 - Research more focused on citizen/user needs;
 - Shift smart city market place to become more city needs-led than supplier-led.
- 2.4 An evaluation plan will be drafted during LOTI's set-up, with guidance from GLA Economics. This will set out the approach for an interim impact evaluation of LOTI in mid-2021 provided for in LOTI's budget. The evaluation plan will identify key metrics to monitor, which in turn will facilitate ongoing performance management. These metrics could include borough satisfaction, number of successful projects delivered per year and number of GLA/London Councils/council projects where LOTI has added value. Delivery and "core LOTI" member satisfaction of each workflow will also be tracked.

3 Equality comments

- 3.1 In considering the award of funding to London Councils in respect of which the Mayor's approval is sought officers have consulted with London Councils to identify measures which assist in ensuring that the project is delivered in a manner which is consistent with the GLA's duties under the Equality Act 2010.
- 3.2 In setting up LOTI, London Councils will ensure that people with protected characteristics have equal opportunities to apply for and be appointed to the staff positions in LOTI;
- 3.3 The LOTI Director will be responsible for ensuring that LOTI's activities are consistent with the requirements of section 149 of the Equality Act 2010, supported by the Community & Communications Manager. This will include ensuring that LOTI's communications adhere to accessibility best practice for print, online and other means of communication. It may also involve taking steps to encourage people with protected characteristics who are less likely to participate in technology networking and knowledge-sharing events, such as "unconferences", to participate; and
- 3.4 The LOTI team will strive to identify and implement positive contributions to equality. This could include improving gender diversity in the tech workforce of London's public services, through a pan-London digital leadership skills programme, which is one of LOTI's core workstreams. As and when further decisions are taken on implementation of LOTI's work, the decision-makers will need to have due regard to the matters set out in section 149 of the 2010 Equality Act.

4 Other considerations

Key risks in the set-up and delivery of LOTI

Risk	Impact	Likelihood	Mitigation
Funding for LOTI is not agreed by London Councils or is withdrawn.	High	Low	LOTI will only be established if London Councils' funding is secured. During the set-up phase, contingency plans will be put in place to manage the unlikely event of core funding being withdrawn before LOTI's initial three-year timeframe. This will include seeking alternative funding from other sources and explore bringing LOTI in-house.
Fewer boroughs than expected agree to join LOTI initially	Medium-Low	Low	If fewer boroughs than currently anticipated sign up to become founding members, the team size and programmes of LOTI can be scaled back from the outset, and/or additional funding from external sources secured. LOTI's launch is contingent on at least 6 boroughs signing up during the set-up phase. If fewer than 6 boroughs agree to join initially, then LOTI will not be established.
More boroughs than expected (i.e. more than 8) agree to join LOTI initially	Medium	High	If more boroughs than expected want to become founding members, then London Councils may decide to expand the size of the team proportionally, and/or to reduce boroughs' required contributions.

People with the required skills and experience cannot be sourced to staff the LOTI core team in the time allotted.	High	Medium	Secondment, recruitment through partner organizations, and interim/contractor routes will be explored. If this has a budgetary impact, this may reduce the size of the team initially, reduce the funds available to hire specialists, and/or delay LOTI's launch.
Projected benefits of LOTI are not fully realised or take significantly longer to realise than projected.	Medium-High	Medium-High	The benefits realisation plan will clearly define the method, measures and owners for realising each benefit. This plan is likely to be iterated as LOTI's activities evolve. The Director will be responsible for managing, monitoring and updating the plan with support from the Programme Manager, and with input from benefit owners.
LOTI is seen as an exclusive "club" of a subset of boroughs, and/or alienates boroughs that are not founding core members.	Medium	Medium	The London Chief Digital Officer, and other senior sponsors of LOTI from London Councils and the GLA will communicate the open invite to join LOTI to all borough Chief Executives. The Director will be responsible for establishing an open, transparent and inclusive culture. If other London boroughs or public services wish to join, they will be able to do so at any time by committing the required financial and in-kind resources.
LOTI widens the digital capability gap between the top-performing digital boroughs and the lowest performers.	Low	Medium	LOTI's deliverables will be made available to all London boroughs, regardless of if they are members. If required, LOTI may later develop special capabilities to help late adopters to "catch up". This would be dependent on securing additional funding from boroughs and/or other external funders.
Lack of senior buy-in to setting up and running LOTI	Medium	Low-Medium	A stakeholder engagement and communications plan has already been initiated and will be further developed during LOTI's set-up phase. Ongoing engagement with key stakeholders to establish buy-in is crucial to the success of the function.
Lack of wider tech community buy-in to LOTI	Medium	Low-Medium	A stakeholder engagement and comms plan has already been initiated, and a selection of key members of London's tech community has been invited to input on this document. The team structure for LOTI includes a Community Manager, whose responsibilities include tech community engagement.

Links to Mayoral strategies and priorities.

- 4.1 LOTI helps implement Mayoral strategies and priorities, including:
- 4.2 *Smarter London Together*. Establishing LOTI is a key action within the Smarter London Together Roadmap. LOTI will also be responsible for some of the actions in the Smarter London Together Roadmap, which is a non-statutory document adopted by the Mayor in June 2018. These actions include:
- Championing the adoption of common standards and design principles in public services;
 - Curating a digital code of practice and pan-London digital leadership programme; and
 - Opening procurement and sharing of best practice in procuring digital public services, including researching viability of Open Contracting Data Standard.
- 4.3 *Mayoral Strategies*. By driving collaboration across London in data and digital and smart technology, LOTI will help to realise the seven Mayoral statutory strategies: transport, the environment, health inequalities, housing, culture, economic development, and the London Plan. The draft economic development strategy specifically supports the establishment of a London Office of Technology and Innovation, co-funded by the Mayor and London Councils.
- 4.4 *The Mayor's Manifesto Commitments*. The Mayor has committed to take tech to the next level in London and public services are included in this vision for London:
- The Mayor has pledged to create a new London data office working to bring data from across London's boroughs and public agencies together, and opening it up to enable quicker decision making, better services, more efficient government, and greater transparency.
 - The Mayor has also pledged to support innovative tech solutions which enable Londoners to access and use public services and information more easily and efficiently.
- 4.5 *A City for all Londoners*. This document guides the mayoral strategies and provides the Mayor's ambition for London:
- The Mayor has committed to develop best practices and measurements for ensuring social integration and social mobility, using technology and other methods to enhance the lives of all Londoners.
 - The Mayor has committed to take advantage of smart technologies and data, to keep resources in use for as long as possible ('the circular economy'), and to expand our green infrastructure.

Consultations and impact assessments

- 4.6 The LOTI business plan was informed by an extensive stakeholder engagement exercise conducted in 2017 as part of the scoping study with Arup, FutureGov and Stance. This exercise gathered input from more than 20 boroughs and included a survey of CEOs and CIOs from 12 boroughs; four workshops with 60 participants; and one-to-one interviews with CEOs, CIOs and transformation leads from 10 boroughs.
- 4.7 In addition, Accenture hosted and facilitated a pro bono workshop with around 20 council CIOs and transformation leads in June 2018. This workshop was focused on building consensus around the scope, objectives and workplan for LOTI.

- 4.8 During July, August, and September 2018, the Chief Digital Officer, with officers from the GLA Smart London team, met individually with over 15 stakeholders to gather specific feedback on the draft LOTI business plan (Appendix A). Stakeholders included borough CIOs and CDOs, senior officials and Mayoral advisers at the GLA, and key influencers in London's digital and smart technology sector. The Smart London Board also discussed and endorsed the business plan at their July 2018 meeting.

Data protection impact assessments

- 4.9 The decision itself does not have any data protection implications. However, some of LOTI's projects – especially its coordination of data analytics projects for the City Data Analytics Programme (DAP) – may well have important data protection considerations.
- 4.10 The LOTI staff team, engaged by London Councils, will need to ensure that Data Protection Impact Assessments (DPIAs) are done when needed, in close collaboration with the DAP and with 'core LOTI' partner organisations, including councils. These DPIAs must be done in line with the advice from the Information Commissioner's Office, and with the General Data Protection Regulation (GDPR).

5 Financial comments

- 5.1 The estimated cost of up to £30,000 for financial year 2018-19 will be funded from the corporate contingency budget held in the Resources Directorate.
- 5.2 Provision will be made in the GLA budget for future costs of £100,000 per annum for the financial years 2019-20, 2020-21 and 2021-22.

6 Legal comments

- 6.1 *The foregoing sections of this report indicate that:*
- 6.1.1 The proposals in respect of which the Mayor's approval is sought fall within the exercise of the GLA's general powers as they may be considered facilitative of and conducive to the promotion of economic development and wealth creation in Greater London;
- 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 health of persons, health inequalities between persons and to contribute towards achievement of sustainable development in the United Kingdom; and
 - (c) Consult with the appropriate bodies.
- 6.2 Sections 1 and 2 above indicate that the proposed contribution of funding amounts to the provision of grant funding and not payment for works, supplies or services. Officers must ensure that:
- Funding is distributed fairly, transparently, in accordance with the GLA's equalities and in manner which affords value for money in accordance with the Contracts and Funding Code; and
 - An appropriate funding agreement is put in place between and executed by the GLA and London Councils before any commitment to fund is made.

- 6.3 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 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 Mayor should have particular regard to section 3 (above) of this report.

7 Planned delivery approach and next steps

Milestone	Date
Business Plan Approval and Entering Funding Agreement	September - November 2018
LOTI set-up phase with support of the GLA, London Councils, and Bloomberg Associates (including recruitment of posts to begin in April 2019)	November 2018 - March 2019
LOTI Launch	April 2019
Exercise right to terminate LOTI in September 2020	July 2020
Impact evaluation	mid-2021
End of funding	April 2022

Delivery approach

- 7.1 A joint GLA-London Councils LOTI Steering Group will be established in September 2018. This steering group will oversee the process of securing approvals and funding for LOTI and recruiting boroughs to be core members. It will also guide the set-up of LOTI. The set-up phase will start in around November 2019 and be implemented by a LOTI set-up manager. Any additional financial contributions from the Mayor to LOTI will be subject to a new decision.

Appendices and supporting papers:

Appendix A: The full draft business plan for the London Office of Technology and Innovation.

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: Disclosure of the information contained in this MD prior to the GLA's and London Councils' entry into and execution of a funding agreement may prejudice the commercial interests of:

- the GLA in enabling its award of funding to London Councils on the optimal terms;
- London Councils in its ability to secure funding from the Boroughs; and
- London Councils to make reasonable adjustments to the attached draft business plan after funding is secured, which is not in the interests of the public.

Until what date: 28 February 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:

Stephen Lorimer has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Emma Strain has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

David Bellamy 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 22 October 2018.

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

22.10.18

CHIEF OF STAFF: MAYORAL DIRECTOR, POLICY

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

Signature

N. Bouch

Date

23.10.18