

REQUEST FOR ASSISTANT DIRECTOR DECISION – DD1360

Title: Subscription to Macrobond, macroeconomic data supplier

Executive Summary:

In 2014, ADD143 approved the decision to purchase four x 12 month licences to access Macroeconomic data at a cost of up to £30,000.

A mini competition, using the GLA's Framework of Economics Consultancy was undertaken after which Macrobond Financial AB was appointed to provide licences for a period of up to three years. The contract includes a 90 day notice period to enable the GLA to terminate the service should requirements change and/or annual funding be unavailable.

This was the most economically advantageous approach in which to access this data and the GLA Economics team now seeks to renew the 4 x licences for a second year. If the service continues to meet the team's needs in 2016, we would also consider seeking a third year of licencing at the rate stipulated in the contract (supporting paper 1).

- The cost of 4 x 12 month licenses for the macroeconomic data supplier in 2014 was £18,000;
- The same service for 2015 will cost £18,000;
- A third year of licencing in 2016 would also cost £18,000;
- If GLA Economics seeks a further (third) year of licencing as above, the total expenditure would be £54,000.

This will enable the GLA Economics' team to continue its comparative analysis work and the completion of its London forecast, with the package to be used on a regular basis by GLA Economics.

Decision:

The Executive Director approves expenditure of up to £36,000 over two years for the renewal of four 12 month licences for macroeconomic data for the period 2015 – 17, taking the total contract spend to £54,000.

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: Jeff Jacobs

Position: Head of Paid Service and Executive Director

Signature:

Date:

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 In order to continue to monitor London's economy effectively to inform the GLA Group on economic trends in the capital, the wider UK and the global economy, GLA Economics needs to ensure that it has access to timely data from a very wide range of sources. In order to meet these needs GLA Economics contracted to Macrobond, a macroeconomic data supplier, for a period of three years, commencing 2014. The original forecast annual expenditure for this procurement was to be £30k however by committing to a 3 year contract, a more competitive fee was obtained for this service. The macroeconomic data package fee was agreed at £18,000 annually, making a total expenditure of up to £54,000 over the three year period.
- 1.2 The macroeconomic data package to be provided by this supplier is used on a regular basis by GLA Economics for a variety of purposes as below.

2. Objectives and expected outcomes

- 2.1 The objective of this purchase is to enable the GLA Economics team to create:
- The analysis of London's labour market performance — including labour market monthly updates, monitoring London's employment and unemployment;
 - The economic forecast publication, 'London's Economic Outlook', and for the editorial section of the monthly, 'London's Economy Today';
 - Briefings to the Mayor and to the GLA more generally as well as to stakeholders beyond the GLA Group;
 - A wide variety of sector specific studies.
 - Responding to ad hoc enquiries from Mayoral advisors
- 2.2 The expected outcomes from the purchase of these licences are;
- Better informed policy and decision-making at City Hall aimed at improving their impact on Londoners needs.

3. Equality comments

- 3.1 Equality considerations have been taken into account as a part of this procurement process. The use of the information accessed via this platform will continue to be towards advancing equality of opportunity amongst people from the 8 protected characteristic backgrounds of the Equalities Act 2010. While it does not target one particular group, by increasing the visibility of Economic information, individuals and organisations will gain a better understanding of their communities, advancing equality of opportunity and to foster good relations potentially between people who share a protected characteristic and those who do not¹; provision of freely available economic data can be used in a variety of platforms and will be accessible online, and by mail if requested.

¹ The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status.

- 3.2 The research conducted on the basis of this material often considers directly the implications of people's circumstances on their health and well-being (for example the implications and accessibility of part-time work for women living in London). The research conducted on this basis has many different applications but can typically be used publicly to promote the improvement of health of persons, health inequalities and to contribute towards the achievement of sustainable development in the United Kingdom.

4. Other considerations

4.1 Key risks and issues

4.1.1 If the subscription were to cease the impacts would be three fold.

- Firstly, a considerable proportion of work, including significant parts of 'London's Economic Outlook' (the GLA's six monthly economic forecast publication) would become impossible or require major and quality-compromising changes to existing methodologies and major adaptations to its presentation, further impacting the quality of the work. Similarly, 'London's Economy Today' would also have to change significantly and would be unable to include timely information on, for example, bond spreads.
- Secondly, a number of outputs, such as the monthly labour market update would become considerably more time consuming to produce. This would not only lower productivity but would also reduce the timeliness of publication. Currently, when the ONS releases labour market data at 930am, the London data is released with some commentary inside half an hour. This sort of time target would be far harder to meet without access to a comprehensive macroeconomic data provider and would probably be impractical.
- Lastly, if we do not purchase the subscription we will have an inconsistent data series and will be unable to produce London's Economic Outlook for the GLA Group.

4.2 Links to Mayoral strategies and priorities

4.2.1 Economic monitoring provides the evidence base for the Mayor's role in promoting economic and social improvement in the capital, one of the Mayor's primary responsibilities, and realising the Mayor's vision.

4.2.2 Further, London's Economic Outlook is a fundamental requirement for GLA Group planning. The data is also required for additional work completed by GLA Economics for analysis of London's labour market briefing the Mayor etc.

4.3 Impact assessments and consultations

4.3.1 GLA Economics has performed an early scoping exercise to ascertain the number of likely data providers. This scoping was done via desk based research and direct contact of possible suppliers. From this scoping exercise, GLA Economics is currently aware of only two data providers, possibly three, that provide the requisite level of data to meet the outlined needs, this may limit the viable responses to this tender process.

5. Financial comments

- 5.1 The total cost of this proposal is up to £36,000 (£18,000 per year) and will be funded from the GLA Economics Budget for 2015-16 and 2016-17, with the 2016-17 budget allocation being subject to the Authority's Budget setting process.
- 5.2 It should be noted, if approval is given for this proposal, taking into consideration the 2014 license approved by ADD143, the total cost of the contract with Macrobond Financial AB over the three year duration will be £54,000.
- 5.3 Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.
- 5.4 The Intelligence Unit within the Communities & Intelligence Directorate will be responsible for managing the proposed contract and ensuring all expenditure complies with the Authority's Financial Regulations and Contracts & Funding Code.

6. Legal Comments

- 6.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act') the GLA, after appropriate consultation, is entitled to do anything that will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment.
- 6.2 Furthermore, section 34 of the Act allows the GLA, to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In this instance the renewal of subscriptions from a macroeconomic data supplier may be viewed as calculated to facilitate all of the GLA's functions. As set out in paragraph one above, the relevant economic data will provide the GLA with an analysis of London's labour market performance, its economic forecast and sector specific studies.

Appendices and supporting papers:

Contract with Macrobond
Signed ADD143 Approving requisition of services in 2014/15 Financial Year

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? NO**

If YES, for what reason:

Until what date: (a date is required if deferring)

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:

Nerida Devane has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Andrew Collinge 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.

✓

EXECUTIVE DIRECTOR - RESOURCES:

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

Signature:

Date: