

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2114

### Title: Investing in London's Tech: Innovation Showcasing Programme

#### Executive Summary:

In the Manifesto the Mayor committed to taking tech to the next level, championing London industry at home and abroad, supporting innovative tech solutions and supporting small business. The Tech Innovation Showcasing Programme will fund a regular series of innovation showcases and an investment support package in partnership with the UK Business Angel Association, a highly-respected organisation in this field that and the delivery partner for this project. The UKBAA would seek private sector sponsorship from year 2 onwards, gradually reducing committed GLA funding, while delivering a legacy programme. The areas of tech selected for innovation showcases would be Mayoral priorities for London. Potential themes could include Artificial Intelligence, Augmented Reality/Virtual Reality, Cleantech, Govtech and others.

#### Decision:

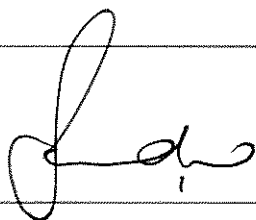
The Mayor approves the expenditure of £280,000 (via the award of grant funding) as a contribution to the UK Business Angels Association's (UKBAA) cost of developing a programme to showcase London's technology industry innovations to promote investment in that sector.

#### 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:

31/10/17

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

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

#### **1. INTRODUCTION AND BACKGROUND**

##### **1.1 In the manifesto the Mayor has committed to:**

- Make London a world-leading tech hub, by removing the barriers to growth, and taking advantage of the innovative work happening in the city to improve governance.
- Champion London's industry at home and abroad, making the case for inward investment in our city, and working to attract ever more global business.
- Support innovative tech solutions which enable Londoners to access and use public services and information more easily and efficiently.
- Support small business to grow, innovate and create wealth and jobs.

##### **1.2 The GLA has looked at how to meet the Mayor's manifesto commitments, whilst also:**

- Building upon previous experience to develop a realistic and highly successful programme
- Producing a long-term legacy programme that will continue after GLA funding has ceased
- Improving Mayoral visibility within the tech and investment communities

##### **1.3 This would grant fund a regular series of innovation showcases and an investment support package in partnership with the UK Business Angel Association, a highly respected organisation in this field, who would provide in kind match funding by delivering the project. The UKBAA would seek private sector sponsorship from year 2 onwards, gradually reducing committed GLA funding, while delivering a legacy programme.**

##### **1.4 The innovation showcases (public name for programme to be agreed at inception meeting) will bring together a selected group of London's growth technology businesses (generally 8-10 will be selected for each showcase) and showcase their innovations to an investor audience where businesses 'pitch' their innovations. The showcases offer the opportunity to raise the awareness of the investment potential offered by London's technology innovators, and to enable direct interaction between investors and selected technology businesses.**

##### **1.5 The showcases will focus on leading areas for technological innovation among London's entrepreneurs, offering opportunities for a wide range of applications and business models and is thus likely to be attractive to investors. The GLA would inform the UKBAA of the areas of tech the Mayor sees as priorities for London. We will want to prioritise areas such as Artificial Intelligence, Augmented Reality/Virtual Reality, the video games industry, Cleantech, Govtech and others. UKBAA would source companies in these areas, provide them with training on how to pitch to investors, then run an event attended by investors interested in these areas who are looking to invest in companies. The UKBAA would also run an online networking platform that would track the companies after the events, and provide investors further information about the companies in order to facilitate deal flow and track any future investments. In addition, alongside this programme, the GLA will work with the London Boroughs, TfL and others to explore how innovative tech solutions pitched at the events (particularly in GovTech) could be directly connected to their procurement processes, as well as wider ongoing work across London.**

##### **1.6 Milestone Funding Schedule:**

<b>Instalment/ Milestone</b>	<b>Date on which claim may be made (subject to milestone achievement)</b>	<b>Amount (£) – UP TO</b>
Coordination meeting held, timetable for first event developed with provisional timetable for 2017-18	20/10/17	£5,000
First Showcase event organized and completed	30/11/17	£15,000
Second Showcase event organized and completed	31/12/17	£20,000
Third Showcase event organized and completed	28/02/18	£20,000
Fourth Showcase event organized and completed	31/03/18	£20,000
Review Report and on Year 1	16/04/18	n/a
Coordination meeting held, review of year 1 and agree plans and schedule for Year 2 and any adjustments relevant to the outcomes of year 1	30/04/18	£5,000
Fifth Showcase event organized and completed	31/05/18	£20,000
Sixth Showcase event organized and completed	31/07/18	£15,000
Seventh Showcase event organized and completed	30/09/18	£15,000
Eighth Showcase event organized and completed	30/11/18	£15,000
Ninth Showcase event organized and completed	31/01/19	£15,000
Tenth Showcase event organized and completed	31/03/19	£15,000
Review Meeting on Year 2	31/03/19	n/a
Year 3 Milestones as for Year 2		Total: £60,000
Year 4 Milestones as for Year 3		Total: £40,000

#### 1.7 Evidence required (in addition to requirements of Clause 4) at each milestone claim:

##### Showcase Events:

- Written report of Event, with delegate list (entrepreneurs and investors);
- Showcase event brochure;
- materials and marketing;
- relevant evidence of outcomes to date;
- evidence of costs incurred;
- evidence of any additional finance identified/secured.

##### Co-ordination Meetings:

- Written minutes of meeting;
- Plan for next event;
- Plan for subsequent year;
- In years 3 and 4, milestone reports shall provide evidence of secured alternative funding sources;

##### Annual Review Meetings:

- Written report detailing achievements and outcomes of the tech showcases, including details of any investment identified in presenting entrepreneurs and plans for year ahead;
- Evidence of additional public/private finance or sponsorship identified/secured to support the project delivery and roll out in subsequent year, reflecting reduced GLA contribution;
- In years 3 and 4, milestone reports shall provide evidence of secured alternative funding sources;

## 2. OBJECTIVES AND EXPECTED OUTCOMES

- 2.1 Objective 1: To increase the opportunity for London's most innovative tech entrepreneurs to present their technologies to investors and increase their potential to access equity investment to support their growth and scale-up.

This will be achieved by establishing a programme of 5 showcase events per year, enabling 40-50 selected innovating growth-focused tech entrepreneurs across the Capital to present their technological services and products to the angel and early stage investment community.

- 2.2 Objective 2: To increase the opportunities for investors to interact with, and invest in, London's tech entrepreneurs.

This will be achieved by facilitating the participation of 100-150 angel and VC investors in each showcase event, bringing with them the investment capability and relevant experience to meet with a carefully curated selection of technology businesses. In addition this will increase overall awareness among the equity investment community of the investment potential offered by London's technology innovators.

- 2.3 Objective 3: To improve both the investment readiness and skills of selected technology businesses to attract investors.

This will be achieved by providing hands-on support and practical advice on how to prepare and deliver an effective pitch, through interacting with equity investors prior to each showcase event.

- 2.4 Objective 4: To increase the opportunity for ongoing interaction with the investment community following showcasing, as well as the potential for securing investment.

This will be achieved by establishing a network for ongoing interaction with the showcasing businesses, and offering ongoing support and follow-up to track and monitor progress in both investor interest, and secured investment. Each of the companies will be offered the opportunity to join the UKBAA dealshare platform (at no additional cost) offering ongoing showcasing and opening up to the whole of the investment community.

- 2.5 Objective 5: To create a legacy of an effective ecosystem, enabling access to equity investment to support the growth of London's technology entrepreneurs, and supporting the continued positioning of London as global technology leader.

This will be achieved by mobilising a dynamic community of investors capable of offering an ongoing supply of investment for innovating entrepreneurs across the key technology sectors. Furthermore, attracting relevant private sector support will create a programme lasting beyond the lifetime of this project of ongoing interactions, showcasing and awareness, supported by UKBAA, drawing on its investment community and partnerships.

- 2.6 Outputs:

- Up to 5 Showcase events per annum reflecting different areas of London's technological strengths
- 500 applications from London's tech innovators to participate in the showcase events
- 40-50 selected tech companies pitching – 8-10 per event. Potential of up to 5 more companies showcasing, but not pitching at each event, dependent on the range of good companies coming forward.
- All pitching companies receiving up to two hours of individual investment readiness support and access to investment materials and tools through UKBAA.
- 100-150 investors attend per showcase event (investors may attend several of the events).

- At least 5000 investors made aware of the London Tech showcases through marketing and direct promotion of the showcase events, drawing on UKBAA's investor base and through its investor partners and wider industry partners.
- All presenting companies offered to be showcased on the UKBAA Investor Deal Share platform following the event (depending on appetite of the entrepreneurs) enabling ongoing showcasing for the companies and opening the investment opportunities for London tech entrepreneurs up to UKBAA's wider investor community across the UK.
- Network of 200 London tech showcasing companies to provide ongoing support and follow-up progress in accessing investment.
- Ongoing Legacy Programme supported by UKBAA to continue programme of showcasing London's tech companies through events and interactions with investors, leveraging further private sector sponsors and partners and event hosting.

### 3 EQUALITY COMMENTS

- 3.1 The innovation showcase event will rely on inviting technology businesses and investors. Historically, the technology sector has seen under-representation from identified groups including particularly women, Black, Asian and Minority Ethnic communities.
- 3.2 The GLA will work with UKBAA to ensure that efforts are made to secure representation from these identified groups by, for example, working with interest groups representing women or BAME in tech, to make sure they are invited in a way appropriate to them, and ensure as much representation as possible.

### 4 OTHER CONSIDERATIONS

#### 4.1 Key Risks

	Risk description	Mitigation / Risk response	Current probability (1-4)	Current impact (1-4)	RAG rating	GLA risk owner
1	UKBAA fail to meet key deliverable targets and timelines	The UKBAA have previously run a one-off SMART London Investor Showcase event in partnership with the GLA. The GLA's Economic and Business Policy Unit will monitor the delivery partner closely and require them to work within its project management methodology for each stage of the work to limit the risk of project failure. Key deliverables will need to be achieved by their deadlines and these will be worked into the Grant Funding Agreement. As well as funding the programme through a milestone-based funding arrangement, the contract will include an annual 'break clause'. If key project deliverables are not met according to deadlines as above, funding could be revoked.	3	1	G	Economic and Business Policy Unit

## 4.2 Links to Mayoral Strategies and Priorities

In the manifesto the Mayor has committed to:

- Make London a world-leading tech hub, by removing the barriers to growth, and taking advantage of the innovative work happening in the city to improve governance.
- Champion London's industry at home and abroad, making the case for inward investment in our city, and working to attract ever more global business.
- Support innovative tech solutions which enable Londoners to access and use public services and information more easily and efficiently.
- Support small business to grow, innovate and create wealth and jobs.

This programme achieves those manifesto commitments by delivering:

- 5 showcase events per annum reflecting different areas of London's technological strengths.
- Intelligence on at least 500 of London's tech innovators through applications.
- 40-50 selected tech companies pitching to investors at events.
- 150-200 investors attending each showcase event.
- A total of 100 hours of support available for companies pitching.
- Investment materials and tools access through UKBAA for every company.
- 5000 of London's investors made aware of the Mayor's tech showcases.
- Presenting companies showcased on the UKBAA Investor Deal Share platform.

## 4.3 Impact Assessments and consultations

No impact assessment or consultation is required for the project.

## 5. FINANCIAL COMMENTS

5.1 The proposed grant of £280,000 to the UK Business Angels Association will span four financial-years from 2017-18 for which the grant payable will be earmarked to be funded from the Development, Enterprise & Environment 'Minor Programme budget' each financial year. It should be noted, that the budget for 2018-19 onwards is indicative at this stage and in the event that the budget is not approved or reduced, costs will have to be contained within the Development, Enterprise & Environment directorate's existing budget provision. The proposed phasing of the grant will be as follows:

- 2017-18 - £100,000
- 2018-19 - £80,000
- 2019-20 - £60,000
- 2020-21 - £40,000

5.2 The grant will be governed by a funding agreement, and delivery monitored against project milestones as noted within the main body of the report. The payments will only be made on satisfactory completion of each milestone.

## 6. LEGAL COMMENTS

6.1 The foregoing sections of this report indicate that the decision requested of the Mayor falls within the statutory powers of the GLA to promote and/or to do anything which is facilitative of or conducive or incidental to the promotion of economic development and wealth creation in Greater London and in formulating the proposals in respect of which a decision is sought officers have set out above how they have complied with the Authority'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 of him, 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 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 and foster good relations between persons who share a relevant protected characteristic 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.

6.3 Officers must ensure that a written funding agreement be executed by both the GLA and the recipient before any part of the funding be paid to the recipient.

## **7. PLANNED DELIVERY APPROACH AND NEXT STEPS**

Please see Gantt chart in appendix 2.

## **8. APPENDICES AND SUPPORTING PAPERS**

APPENDIX 1: Grant Funding Proposal by UKBAA

APPENDIX 2: Gantt chart by UKBAA showing planned delivery approach

**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**

**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:**

Sara Kelly has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Fiona Fletcher-Smith 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 the 18 September 2017

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. D. Bell*

Date

12.10.17

**CHIEF OF STAFF:**

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

Signature

*D. Bellamy*

Date

13/10/2017.