

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD338

Title: Evidence base for third party sponsorship for fast growing digital, creative, science and technology companies

Executive Summary:

Start-ups/spin outs and other Small to Medium Enterprises (SMEs) are a vital part of London's innovative knowledge economy. They are critical to the capital's and UK's continuing economic success. Anecdotal evidence suggests that the UK's visa system, in particular Tier 2, is challenging for certain types of start-ups/fast growth SMEs needing to recruit or retain skilled staff from outside of the European Union. The GLA wants to test this anecdotal evidence and assess the value of a third party sponsorship model(s) to support start-ups/SMEs in London's knowledge economy innovate and grow. This specification (Appendix B) outlines the main requirements for a short piece of mainly primary research. The focus will be on life sciences and technology sectors but the models should also have the potential to support fast growth SMEs. The budget of £50,000 has been agreed as part of the £130,000 agreed for the Economic Development Agenda and funded from the London Enterprise Panel's Strategies budget. The LEP's Economic Development Working Group agreed the work and budget) on 27 July 2015, and the funding confirmed under the LEP Urgency Procedure on 7 August 2015. (Appendix A.)

Decision:

The Assistant Director, Economic and Business Policy, approves expenditure of up to £50,000 to procure and commission research to assess the value of a third party model(s) to spin outs/start-ups and SMEs in the science and technology sectors, but ensuring wider applicability to fast growth SMEs, to access the skills, knowledge and experience necessary for innovation and growth.

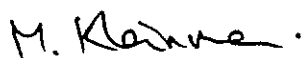
AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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: Mark Kleinman

Position: Assistant Director, Economic and Business Policy

Signature: 

Date: 27.8.2015

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

London's economic success has, in part, relied on its ability to attract and retain skilled and talented individuals from around the world. In two of London's maturing sectors, technology and science, the London Enterprise Panel has identified a supportive immigration system as integral to their growth.¹ These sectors have a high prevalence of SMEs and, particularly in life sciences, the role of universities is central, not least because this research/knowledge intensive sector requires a highly educated skills base. GLA internal analysis of the visa system indicates that visa routes introduced by the government to ensure a supply of talent are not employer-led and are focused on leading experts in their fields, mainly academics. Anecdotal evidence from start-ups/SMEs in these sectors suggests that the current employer sponsored visa route (tier 2) for recruiting skilled workers from outside the EU imposes unreasonable risks and costs onto start-ups/SMEs which potentially restrict innovation and growth. The GLA wants to test this anecdotal evidence and assess the value of a third party sponsorship model(s) to support start-ups/SMEs in London's knowledge economy innovate and grow.

2. Objectives and expected outcomes

The piece of work will assess the value of a third party model(s) to spin outs/start-ups and SMEs in the science and technology sectors, but ensuring wider applicability to fast growth SMEs, to access the skills, knowledge and experience necessary for innovation and growth. It will identify whether the current visa system imposes costs and risks onto start-ups/SMEs which restrict their innovation and growth. The final report will recommend other models of sponsorship support that could mitigate the risks identified. The tender document is attached as Appendix B.

3. Equality comments

Officers confirm that there are no adverse implications under the public sector equality duty in relation to the procurement and commissioning of the activities described above. The GLA will ensure that businesses interviewed are sourced through a range of networks.

4. Other considerations

The piece of work is a key part of the LEP's and Mayor's work to maintain London's competitiveness as a world city. The initial submission to the LEP for this piece of work had a budget of £40,000. An additional £10,000 was requested on the basis that the GLA will not be making potential suppliers aware of the budget and want to avoid delays to the work/additional requests to the LEP in the event of the strongest bid coming in over the £40,000.

5. Financial comments

5.1 Assistant Director's approval is being sought for expenditure of up to £50,000 to commission research to provide policy makers with evidence that a third party sponsorship model(s) could better support innovation and growth in spin outs/start-ups and SMEs in science and technology sectors, but ensuring wider applicability to fast growth SMEs.

¹ *Jobs and Growth Plan for London* (April 2013) <https://lep.london/publication/jobs-and-growth-plan-london>

- 5.2 This expenditure has been recommended by LEP to be funded from the £130,000 budget earmarked for Economic Development Agenda from LEP's Strategic Plans and EU fund 2015-16 budget.

6. Planned delivery approach and next steps

Tender opens	27 August 2015
Tender closes	16 September 2015
Bids evaluated	17-18 September 2015
Clarification session (if required)	w/b 21 September 2015
Contract awarded	w/b 21 September 2015
Project management meeting	w/b 28 September 2015
Interim report	Completed by 23 October 2015
GLA feedback on interim report	By 27 October 2015
Final report submitted	4 December 2015
Final meeting and report agreed	w/b 7 December 2015

Appendices and supporting papers:

Appendix A: LEP Urgency Procedure, 7 August 2015.

Appendix B: Tender Document

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**

If YES, for what reason: Budget is not included in the specification to ensure value for money.

Until what date: 30 September 2015

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:

James Lee has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

27-08-15