

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD1459

**Title: City Skills Fund – final stage of procurement**

### Executive Summary:

The London Enterprise Panel's Skills and Employment Working Group wishes to procure a software licence providing access to quarterly data feeds on job vacancies. Procurement of the licence is recommended in research funded through the City Skills Fund (CSF). The licence will be procured with Single Source Justification and will bring to a conclusion the activities delivered throughout the lifetime of the CSF programme. DD1327 approves funds to pay for the licence, stipulating that these should be net nil cost to the GLA.

### Decision:

That the Executive Director approves:

- expenditure of up to a maximum of £75,000 (using £46,000 residue of the City Skills Fund, as approved by DD 1327) and an additional £29,000 from the 2015/16 DEE Minor Programme Budget for the procurement of a software licence for Labour Insights;
- an exemption from the GLA's Contracts and Funding Code to seek competitive tenders for or call off for the procurement of the software licence from an accessible framework.

### 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:** Fiona Fletcher-Smith

**Position:** Executive Director-Development,  
Enterprise & Environment

**Signature:**



**Date:** 17.2.2016

## PART I - NON-CONFIDENTIAL FACTS AND ADVICE

### Decision required – supporting report

#### 1. Introduction and background

- 1.1. The London Enterprise Panel's Skills and Employment Working Group wishes to procure Labour Insights, which is a software licence providing access to quarterly data feeds on job vacancies. The data produced through use of the software will assist skills stakeholders and providers across the region in identifying skills needs through published vacancy data.
- 1.2. Procurement of the licence is recommended in research funded through Phase 3 of the City Skills Fund (CSF) and will bring to a conclusion the activities delivered throughout the lifetime of the CSF programme.
- 1.3. DD1327, which covers Phase 3 of the CSF programme, approves funds to pay for the licence, as part of the Skills Inquiry budget which is £100,000. Funding for Phase 3 forms part of the £500,000 City Skills Fund, matched with up to £500,000 of ESF Technical Assistance. DD1327 stipulated that these funds should be net nil cost to the GLA and that the project is expected to continue to 31<sup>st</sup> July 2015.
- 1.4. Negotiations with potential suppliers of the software have resulted in delays to the procurement of the licence.
- 1.5. An exemption from the GLA's Contract and Funding Code is required and a Single Source Justification (see appendix A) has been completed for the procurement of the software licence - sold in the UK to the public sector via Burning Glass reseller Active Informatics - at a cost of £75,000 for twelve months' usage on the basis that there is a complete absence of competition in the market and Burning Glass are the only suppliers who hold the necessary licences to provide the required information.
- 1.6. Burning Glass technology has sourced London (and UK) job postings daily from thousands of sites using AI 'robots' or 'spiders' to crawl the web to look for jobs. Burning Glass are uniquely placed to provide timely data on job postings that includes information on: standardised industry (SIC) codes, standardised occupation (SOC) codes, location at Local Authority level, salary, qualification requirements, contract-type and job-type. A rival company providing labour market information, *EMSI*, has since developed a job postings analytical tool for the US market and are in the early stages of seeking to develop a tool to rival *Labour Insight*. This will not however be ready for at least the next 12-24 months due to the complexity of not only accessing the data, but also in cleaning, de-duplicating and linking this to standard industry and occupational classifications. Conversations with *EMSI* confirmed that *Burning Glass* is currently the sole provider of technology to deliver detailed data based on online job postings in the UK.
- 1.7. In summer 2015 colleagues in the European Programme Management Unit advised that costs associated with the software would operate beyond the life of the ESF Technical Assistance - during which claims could be made - this has resulted in a shortfall of available CSF matched funds.
- 1.8. Further delays were experienced as officers explored alternative sources of funding both externally and within the GLA.
- 1.9. As this procurement supports LEP skills and employment priorities and remains a key recommendation of CSF funded research, programme funds within the Development, Environment and Enterprise (DEE) directorate of the GLA have been identified.

1.10 The cost to the DEE programme funds must not exceed £29,000.

## **2. Objectives and expected outcomes**

- 2.1 The GLA wishes to purchase Labour Insights, which is software providing access to quarterly data feeds on job vacancies for London produced by Burning Glass Technologies. A Single Source Justification is being sought because no public or other commercial sources of data are available on the job postings in London that includes detailed information on occupations, sectors, skills.
- 2.2 The technology in the UK is sold to the public sector via Burning Glass reseller Active Informatics. A rival company providing labour market information, EMSI, has since developed a job postings analytical tool for the US market and are in the early stages of seeking to develop a tool to rival Labour Insight. This will not however be ready for at least the next 12-24 months due to the complexity of not only accessing the data, but also in cleaning, de-duplicating and linking this to standard industry and occupational classifications.
- 2.3 Conversations between GLA Economics officers and EMSI confirmed that Burning Glass is currently the sole provider of technology to deliver detailed data based on online job postings in the UK.
- 2.4 The data produced through use of the software will assist skills stakeholders and providers across the region in identifying skills needs through published vacancy data.
- 2.5 It will enable access to timely data on job postings for vacancies available in London, which can be broken down by a number of variables such as: qualifications/skills, occupation, sector, job-type, source of advert, pay and low-level geography.

## **3. Equality comments**

- 3.1 Officers confirm that the procurement and commissioning of the activities described above will conform with requirements made under the public sector equality duty, and that any increased knowledge of skills and employability needs of particular learner groups will be used to inform future specifications for work.

## **4. Other considerations**

- 4.1 The procurement supports the LEP's skills and employment priorities and remains a key recommendation of CSF funded research.
- 4.2 It also supports the Jobs and Growth Priorities set out in the LEP's Jobs and Growth Plan, the Local Growth Deal for London and the FE Capital Investment Fund prospectus.
- 4.3 The data produced through use of the software will assist skills stakeholders and providers across the region in identifying skills needs through published vacancy data.
- 4.4 The data will be made available publically through the London Data Store, which is the Mayor's free and open data-sharing portal where anyone can access data relating to the capital.

## **5. Financial comments**

- 5.1 Approval is requested for the extension of the project end date and the expenditure for the purchase of Labour Insight software licence. The expenditure is to be funded through the balance of City

Skills Funding of £46,000 (as approved by DD1327), and an additional £29,000 from the 2015/16 DEE Minor Programme Budget. The net cost to the GLA is £29,000.

## 6. Legal comments

6.1 The report above indicates that:

- 6.1.1 the decisions requested of the Director relate to expenditure for the commissioning of supplies and services which fall within the Authority's statutory powers to do things facilitative of and conducive to the discharge of its general functions; and
- 6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people (further details on equalities are set out in section 3 above) and to the duty under section 149 of the 2010 Act to 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 share a protected characteristic and those who do not<sup>1</sup>;
  - 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
  - consult with appropriate bodies.
- 6.2 Section 4.1 of the Authority's Contracts and Funding Code ("Code") requires that at competitive tenders be sought for supplies with values of the proposed contract value or that those supplies be "called off" from a framework accessible to the Authority. Section 5 of the Code provides however, that exemptions from that requirement maybe approved on a number of specified grounds including where there is a complete absence of competition for the supply in question. Officers have indicated at section 1.5 and 1.6 of this report that this is the case here, as Burning Glass technology are the only suppliers in the market who are capable of providing the software and required information. The director may therefore, approve the proposed exemption and award of contract if satisfied with the content of this report.

6.3 Officers should ensure that appropriate documentation is put in place and executed by the Authority and the supplier before the commencement of the services.

## 7. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract [for externally delivered projects]	02/2016
Delivery Start Date [for project proposals]	02/2016
Final evaluation start and finish (self/external) [delete as applicable]:	12/2016–03/2017
Delivery End Date [for project proposals]	12/2016
Project Closure: [for project proposals]	12/2016

<sup>1</sup> 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.

**Appendices and supporting papers:**

Single Source Justification for procurement of Labour Insight tool from the Burning Glass reseller Active Infomatics.

DD 1327 Phase 3 of the City Skills Fund

**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:**

Michae Heanue has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service:**

Mark Kleinman 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

*M. J. Allen*

Date

*16.2.16*