

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2286

### Title: Mayor's Civic Innovation Challenge Pilot 2018

#### Executive Summary:

DD 2185 approved expenditure of up to £100,000 to pilot the 'Mayor's Tech Challenge' – which was subsequently announced with the publication of the Mayor's draft Economic Development Strategy in December 2017 as the 'Mayor's Civic Innovation Challenge'.

The Mayor's Civic Innovation Challenge is a means of identifying alignment between Mayoral priorities and market demand, and incentivising London's tech innovators to solve these problems – to make tech work for London.

DD 2185 approved £75,000 of LEAP funding and up to £25,000 in match funding. Owing to the opportunity presented by the Civic Innovation Challenge as a means of solving London's challenges across the GLA family, the project has significantly expanded in size and budget beyond the spending limit of the DD. This MD seeks approval for additional funding from TfL and the Sport Unites budget to enable additional challenges to be run.

In addition, there is the potential of up to £50,000 in further funding from the private sector. This would be used to fund an additional prize, support another company through the process and cover the cost of the additional work for our delivery partner.

This Decision seeks approval for spending of a total budget of up to £250,000 to pilot the programme at a larger scale.

#### Decision:

That the Mayor approves:

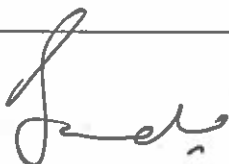
- the spending of up to £250,000 on the Mayor's Civic Innovation Challenge pilot programme (noting this is an increase on the previously approved budget of £100,000 and the extra funding will be used to expand the pilot);
- the receipt of £50,000 from TfL;
- a delegation to the Head of Infrastructure and Growth to receive and spend £50k funding from the private sector to enhance further the pilot, without reference to a further decision form.

#### 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:

8/5/18

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

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

#### **1. Introduction and background**

- 1.1 The Mayor's draft Economic Development Strategy, published for consultation on 13<sup>th</sup> December 2017, prioritises supporting the growth and innovation of London's tech and digital sectors and pledges to set strategic challenges for the tech community to help solve – to meet both London's growth aspirations, and help to solve some of the pressing issues facing the city (from health inequality to air pollution and the challenges of an ageing population).
- 1.2 The Tech Challenge programme was announced as the Mayor of London's Civic Innovation Challenge in December 2018 along with the launch of the Mayor's draft Economic Development Strategy for consultation.
- 1.3 Owing to the opportunity presented by the Civic Innovation Challenge as a means of solving London's challenges across the GLA family, the project has since significantly expanded in size and budget beyond the existing DD 2185 approval. Additional challenges will be added to the pilot programme, including contributions of £50,000 from TfL and £50,000 from the Team London and Sports team to support the running of the programme.
- 1.4 An additional €25,000 (£22,700) has been secured from the European Institute of Technology's Climate-KIC programme to support the development and delivery of the CleanTech challenge, in addition to £75,000 pump priming funding from LEAP (approved by DD 2185).
- 1.5 Approval is now required to spend up to a total of £250,000 to deliver this pilot programme.

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

- 2.1 The Mayor's Civic Innovation Challenge is a mission-led business support programme, aimed at creating markets for innovative SMEs focussed on solving some of the big challenges facing London.
- 2.2 The objectives of the programme are:
  - To provide targeted business support to high performing tech SMEs;
  - To direct London's tech SMEs towards solving the challenges facing London and Londoners;
  - To stimulate the creation of new markets;
  - To support the co-design and co-development of innovation with the market;
  - To engage markets (public and private sectors) in the potential for disruptive technologies, business models and processes to meet their needs;
  - To complement the wider business ecosystem in London, including existing Mayoral business support programmes such as the TechInvest Programme (which provides funding to later stage SMEs);
  - To pilot an approach which will feed into the development of a larger scale, annual Mayor's Challenge programme. Subject to the success of the programme and the securing of future funding, the Challenge will become the flagship Mayoral tech business support programme channelling tech for social good on a larger scale.
- 2.3 These objectives will be achieved through:
- 2.4 **Business development support** to companies which have innovative business ideas, but which may lack competencies in other areas, such as:

- Sales and marketing,
- Protection and exploitation of intellectual property,
- Investment and finance-raising,
- Business and financial planning,
- Responding to public tender, and
- Business/tech ecosystem awareness.

2.5 **Access to market** – by convening innovative SMEs with the market, the challenge will provide support to companies who have well developed innovations but who:

- Need to know more about the requirement of their end market and potential clients;
- Could convert their innovations into more market-ready products;
- Could move towards sales-based growth in the medium term;
- Would benefit from the experience of an integration and sales funnel with larger clients;
- Need to identify and address gaps in their own business capacity;
- Would benefit in terms of business credibility from a project of this kind with their end market.

2.6 **Co-design and learning** for tech SMEs and the market, through proof-of-concept funding of a maximum of £15,000 (or pre-proof-of-concept – dependent upon the stage of the innovation). The programme will support the SME and the market to explore the integration of their solution into their existing business flow at reduced risk to both parties. This funding will be awarded on a competitive basis.

2.7 As well as providing business support to high performing SMEs, the programme will provide to the end market:

- Early awareness and adoption of technologies likely to disrupt their business models;
- An opportunity to integrate a new solution which could improve productivity or provide capabilities which were previously not possible.

2.8 The table below sets out how the funding will be used:

Use of Funding	Overall Cost £X	Delivery Start Date
Delivery of programme and provision of business support	£145,000	April 2018
Distributed Prize Money	£105,000	August 2018

### 3. Equality comments

3.1 Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due Regard' of the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.

3.2 Gender Equality and Equal Opportunities are enshrined within the GLA's programmes and activities according to the Mayor's Framework for Equal Life Chances (June 2014) and the Mayor's draft Diversity and Inclusion Strategy.

3.3 The City Challenge programme will look to maximise its positive impact on equality for all Londoners through ensuring innovation is targeted at addressing some of the strategic inequality challenges facing Londoners. The programme will be promoted through a wide variety of channels to reach out to underrepresented groups, events will be accessible and communication channels will be used to showcase and celebrate innovation across a diverse SME base.

## **4. Other considerations**

### *Key Risks and Issues*

- 4.1 The main risk to the success of the pilot would be that not enough tech start-ups, or not enough of the right kind of start-ups, apply to the competition. This will be mitigated by ensuring a prominent announcement, maximising the use of existing networks and all communication channels available to the GLA, and channelling applications through a well-used platform in the tech start-up community. The programme will be delivered in partnership with key members of London's innovation ecosystem. An expert steering panel will ensure that the companies chosen for support can deliver, and are at the right stage for exploitation of the opportunity. Measures to mitigate these risks will also be built into the specification and contract for the delivery partner. The delivery partner will need to demonstrate a strong track record in tech challenge programme design and outreach.

### *Links to Mayoral Strategies and Priorities*

- 4.2 The Objectives and outcomes of this programme are in line with the Mayor's draft Economic Development Strategy, which prioritises supporting the growth and innovation of London's tech and digital sectors, and pledges to set strategic challenges for the tech community to help solve.
- 4.3 The programme also helps to meet the Mayor's Manifesto pledge to "take tech to the next level" by removing barriers to growth. The Tech Challenge programme will support SMEs to access the market to test and co-design their innovation.
- 4.4 The Civic Innovation Challenge is by design a means of identifying alignment between Mayoral priorities and market demand, and incentivising London's innovators to solve these problems. Each challenge is co-designed with policy teams across the GLA Family, including:
- A 'fintech for good' stream will address financial inclusion issues facing Londoners, aligning with the Manifesto commitment to "promote financial inclusion, through partnership with the financial sector, including social enterprises and credit unions with the goal of ensuring that every adult can access financial services in affordable ways that meet their needs".
  - A dementia-focused challenge will align with the objectives of the Mayor's Health Inequalities Strategy;
  - An energy consumption challenge will align with the objectives of the Mayor's Environment Strategy;
  - The transport challenges will align with the Mayor's Transport Strategy objectives, with a focus on active travel and reduced energy consumption;
  - The challenges will also align with the Sport Unites programme's aim to "use sports technology to make Londoners healthier, happier, integrated and more active".
- 4.5 Following the successful piloting of the programme, the Civic Innovation Challenge will be significantly scaled up to address challenges across all of the statutory and other Mayoral strategies.

## **5 Financial comments**

- 5.1 The revised cost of the Mayor's Civic Innovation Challenge Pilot is up to the value of £250,000. DD2185 had previously approved the pilot at an estimated cost of £100,000 to be funded via the LEAP Strategies budget for 2017-18 that has been re-profiled into 2018-19 as part of the 2018-19 budget process (£75,000) and private sector income, now secured from the European Institute of Technology's Climate-KIC programme (up to £25,000).
- 5.2 The proposed increase of £150,000 for the pilot will be funded via income from TfL (£50,000, which TfL has confirmed is available), a GLA budget contribution from the Team London & Sports Units

Programme budget for 2018-19, specifically the 'Workforce & Capacity strand of the Sport Unites budget (£50,000), with the balance of £50,000 being sought for other Private Sector contributions.

- 5.3 It should be noted that the additional £50,000 being sought via other Private Sector contributions has not yet been secured and consequently expenditure will be limited to the amount of income that is secured for the duration of the programme.

## **6. Legal comments**

- 6.1 The foregoing sections of this report indicate that:

- 6.1.1 the decisions requested of the mayor concern the exercise of the GLA's general powers, falling within the statutory powers of the GLA to do such things as may be considered to be facilitative of or conducive or incidental to the promotion of economic development and wealth creation in Greater London; and

- 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 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, 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) 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 no reliance should be placed upon the third party funding sought until binding legal commitments are in place for the same.

- 6.4 Section 121 of the Greater London Authority Act 1999 (the "Act") provides that a functional body, such as TfL may, with the consent of the mayor, pay a grant towards meeting revenue expenditure incurred or to be incurred by the GLA for the purposes of, or in connection with, the discharge of its functions.

- 6.5 The services required must be procured by Transport for London Commercial who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code. Officers must ensure that the relevant contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of the services.

## **7. Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
Announcement	December 2017
Award contract for programme delivery	April 2018
Public call for applications	June 2018
Business Support and co-design phase	June and July 2018

Proof of concept delivery phase	Aug/Sep 2018
Demo day	October 2018
Evaluation and reporting	November 2018

**Appendices and supporting papers: None**

**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?**

Publication should be deferred until after the procurement of the provider of programme delivery services is complete. This report contains details, which if published prior to such completion, may distort the competitiveness of the procurement exercise which is not in the public interest.

Until what date: (May 31<sup>st</sup> 2018)

**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:**

Nick Swanson, Senior Policy Officer for Technology 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, Deputy Mayor for Business 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 8 May 2018.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

TOM WIDDICOMBE ON BEHALF OF MARTIN CLARKE

**CHIEF OF STAFF:**

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

**Signature**

**Date**

D. Bellamy 8/5/2018.

