

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2282

Title: Revolving Investment in Cities (RICE) – Specialist Consultancy Support for Joint Sharing Cities (H2020) Project

Executive Summary:

The Mayor approved (under MD2062 and MD2105) GLA expenditure on the Revolving Investment in Cities in Europe (RICE) project of up to €309,228 (€293,766 - EU RICE funding and up to €15,462 - existing GLA staff budgets) to explore how to increase the use of Financial Instruments (FIs) to tackle urban development issues, in particular in relation to Smart Cities, the environment and regeneration.

To further develop the link between SMART Cities and use of FIs, this ADD is seeking approval for expenditure of up to £18,920 of RICE funds to employ specialist consultants, Urban DNA, to undertake detailed economic modelling of Sharing City smart measures, focusing on Smart Lampposts, Public Housing retrofits and E-Bikes.

Decision:

That the Assistant Director of Regeneration and Economic Development approves:

1. The expenditure of up to £18,920 on consultancy services (provided by Urban DNA) to provide specialist economic modelling services
2. a related exemption from the GLA's Contracts and Funding Code in order that the above services be procured without a competitive exercise (i.e. a single source exemption).

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

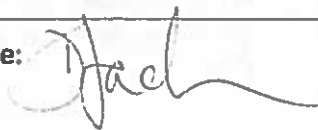
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Debbie Jackson

Position: Assistant Director,
Regeneration and Economic
Development

Signature:



Date:

30 / 10 / 18 .

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. In December 2016, the GLA in partnership with the City of The Hague and the Department for Communities and Local Government (DCLG) was successful in securing €2.3m (GLA share €245k) from the European Commission (EC) to fund the Revolving Investment in Cities in Europe (RICE) project.
- 1.2. The project explores how to increase the use of Financial Instruments (FIs) and the levels of investment (both public and private) secured and deployed through them in order to tackle urban development issues, in particular in relation to Smart Cities, the environment and regeneration.
- 1.3. The Mayor approved (under cover of MD2062 and MD2105) GLA expenditure on the RICE project of up to €257,870 (€244,976 EU RICE funding and up to €12,894 - existing GLA staff budgets) and subsequently approved an increase in expenditure to €309,228 (€293,766 - EU RICE funding and up to €15,462 - existing GLA staff budgets) following a project extension. MD 2188 later approved £110k from RICE (and an additional £100k from Infrastructure) for economic modelling work to demonstrate the future impact of investments.
- 1.4. To further develop the link between SMART Cities and use of FIs, the RICE team has been working with the GLA Sharing Cities (Horizon 2020) team. Sharing Cities fosters international collaboration between industry and cities to seeks to develop affordable, integrated, commercial-scale smart city solutions with a high market potential.
- 1.5. RICE and Sharing Cities have jointly commissioned the development of a detailed economic modelling of Sharing City smart measures to support the Sharing Cities programme in achieving its strategic aim of triggering €500m in investment. Focusing on Smart Lampposts, Public Housing retrofits and E-Bikes, the economic modelling of these measures has been developed to show the level of funding needed, the other costs associated and what benefits emerge from this technology. Furthermore, the work will explore the benefits of scale in these models, demonstrating the impact that joint procurement across multiple cities can have on the economic models and the impact of upfront funding versus long term financing on the measures being implemented.
- 1.6. Since the beginning of July 2018, this work has been undertaken by a temporary agency worker (gifted resource), who has specific smart city and public-sector finance knowledge. This contract is due to come to an end and as the proposal is to engage a consultant - UrbanDNA - who specialise in the delivery of smart solutions to urban issues.
- 1.7. Furthermore, UrbanDNA are the work package leads for the development of Finance and Business models in the Sharing Cities programme and are therefore ideally placed to ensure the continuation of this additional piece of work which will inform the scale up opportunities in London and beyond, an objective of the Mayor's Smarter London Together Roadmap.
- 1.8. The work to be undertaken will continue after the end of the RICE programme and scope of this approval. The continuation of this work will be funded through the Sharing Cities programme by UrbanDNA as an Associate Agreement. As Urban DNA are already project partners on the Sharing Cities programme, this will not be a GLA contract and is outside the scope of this decision. By jointly funding the project it is possible to share best practice and align project priorities.
- 1.9. Officers acknowledge that section 9 of the GLA's Contracts and Funding Code requires where the expected value of a contract for services is between £10,000 and £150,000, that the services required should be procured competitively. However, Section 10 provides that an exemption from this

requirement may be approved where a supplier has had previous involvement in a specific current project or the where the work proposed is a continuation of existing work, which cannot be separated from the new work. To this end, UrbanDNA's expertise and knowledge of RICE and Sharing Cities is unique due to their previous involvement on the programme and their appointment would allow the continuation of the economic modelling work already begun. Officers will liaise with TfL Procurement to ensure that appropriate contractual documents will be put in place.

2. Objectives and expected outcomes

2.1 The objectives of this work are to:

- Determine the benefits of scale in the models developed that will be used to demonstrate the impact that joint procurement across multiple cities can have on the economic models.
- Develop cross-border investment products and frameworks working with European Partners to help catalyse innovation and creating investment appetite for aggregated smart technologies.
- Demonstrate the benefits of joint procurement relevant to the measures through develop examples and case studies
- Develop cross-border investment products and frameworks to help catalyse innovation and creating investment appetite for aggregated smart technologies.
- Increased uptake of smart solutions by City Managers
- Generate / trigger demand – prompting the needs
- Put the case up for Innovation and City scale up

3. Equality comments

3.1 The GLA as a public authority must comply with the Public Sector Equality Duty set out in section 149 (1) Equality Act 2010. This provides that, in the exercise of their functions, public authorities must have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- Advance equality of opportunity between persons who share a relevant protected characteristic 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.

3.2 This duty also applies in the delivery of European funded projects and means that delivery of this RICE funded project will consider the needs of all individuals and have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people. The Project Manager has given due regard to the above in commissioning this work.

4. Other considerations

a) Links to strategies and Mayoral and corporate priorities

4.1 The project directly contributes to the delivery of the Mayor's key strategic objectives of the London Smart plan which aims to solve London's environment challenges by bringing together people, technology and data.

- 4.2 The Mayor has promised to be the most pro-business Mayor that London has ever had. This has meant protecting small and technology businesses through public investment and protecting workspaces and ensuring businesses get a say in policy formulation through the formation of a Business Advisory Board. The Mayor is also keen that London gets the best deal possible in a post-Brexit scenario and is confident in the enduring strength of London's deep-seated, competitive assets, which include its economic dynamism, a highly skilled workforce and an innovative and entrepreneurial culture.
- 4.3 All of these priorities will be enhanced by a better understanding of how to further unlock private sector investment to bolster London's existing global leading sectors and also of potentially growing and emerging sectors. This project will help show that London is at the forefront of innovation and will also help to highlight the vast opportunities London offers to potential investors and business partners both home and abroad and will help ensure London stays open to the world.

b) Impact assessments and Consultation

- 4.4 TfL Procurement have been consulted in the development of this proposal and have approved the exemption from the GLA Contracts and Funding Code.

c) Risk

- 4.5 The need to commission another entity, rather than use Urban DNA, which would pose a risk to the continuation of work which is time critical due to the end of the RICE project on 14 December 2018, after which there can be no further spend.

5. Financial comments

- 5.1. The proposed expenditure of up to £18,920 on procuring Urban DNA to provide specialist economic modelling services will be funded the Revolving Investment in Cities project budget for 2018-19 as approved by MD2105 and MD2188.

6. Legal comments

- 6.1 The decisions requested of the Director (in accordance with the GLA's Contracts and Funding Code) concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and 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;
 - 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 In taking the decisions requested, the Director 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 and foster good relations 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 (section 149 of the Equality Act 2010). To this end, the Director should have particular regard to section 3 (above) of this report.

- 6.3 Officers should ensure that the services be procured by Transport for London Procurement 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 appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of the services.
- 6.4 Section 4.1 of the Contracts and Funding Code (the 'Code') requires the GLA to Seek a call-off from a suitable framework, where possible, or if not, undertake a formal tender process which will be managed by TfL in respect of the services. However, the director may approve an exemption from this requirement under section 5 of the Code upon certain specified grounds. One of those grounds is that there is a complete absence of competition. Officers have indicated at paragraph 1.9 of this report that this ground applies and that the proposed contracts affords value for money.

On this basis the director may approve the proposed exemption if satisfied with the content of this report.

7. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	15.10.18
Delivery Start Date	15.10.18
Main milestones – delivery of proposed model	30.11.18
Delivery End Date	14.12.18
Project Closure:	14.12.18

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? YES.

Publication of Part 1 should be deferred until the contract with the supplier has been executed – 5 November 2018.

Part 2 – Sensitive information

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Katie Lindsay has drafted this report in accordance with GLA procedures and confirms the following:

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on the 29 October 2018.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature



Date

30-10-18