

REQUEST FOR MAYORAL DECISION – DD1216

Title: “Cities Summit: Solutions Worth Sharing” Event

Executive Summary:

The “Cities Summit: Solutions Worth Sharing” event will support high growth potential SMEs in London’s smart city and low carbon technology sectors to connect with decision-makers from city governments in other countries.

The Mayor of London is partnering with Citymart’s LLGA: Cities Pilot the Future, a programme which encourages innovation by giving cities a vehicle to publicise their challenges and make a worldwide call for solutions enabling them to connect with small and innovative providers.

London’s “Cities Summit: Solutions Worth Sharing” event will take place at City Hall in June 2014 and is sponsored by Citi Bank N.A. With their sponsorship, the production requirements of the event will be at nil cost to the GLA budget. The provision of consultancy and hosting rights from Citymart and a prize fund for the winner of London’s Energy Challenge, are to be paid from the Environment budget.

Decision:

That the Executive Director approves:

1. The receipt and expenditure of £75,000 towards the production requirements (see Table 1 of paragraph 1 of this report) of a City Summit event, using sponsorship received from Citi Bank N.A.
2. An exemption from the requirements of the GLA’s Contracts and Funding Code to allow the GLA to enter into the contract with Intelligence Squared without prior competition up to £10,000 expenditure, for the production of the panel debates at the summit.
3. Expenditure of £53,000, including up to £20,000 on a prize fund for the winner of London’s Energy Challenge and up to £33,000 towards services provided by Citymart.
4. An exemption from the requirements of the GLA’s Contracts and Funding Code to allow the GLA to enter into the contract with Citymart without prior competition up to £33,000 expenditure.

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: 19 May 2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

The “Cities Summit: Solutions Worth Sharing” event will support high growth potential SMEs in London’s smart city and low carbon technology sectors to connect with decision-makers from 30 city governments in other countries.

The Mayor of London is partnering with Citymart’s LLGA: Cities Pilot the Future, an awards programme which encourages innovation by giving cities a vehicle to publicise their challenges and make a worldwide call for solutions enabling them to connect with small and innovative providers.

London is seeking a solution that gives householders and small businesses incentives to reduce or avoid electricity use at peak times. Our generating reserve may drop to as low as 4% by 2016, meaning an increased risk of lights going out at times of peak electricity demand. Other city governments, including Moscow, San Francisco, Lagos and Barcelona, are joining us with calls for innovative solutions covering a broad range of urban challenges from regeneration to energy, local commerce to food poverty. We want London SMEs to bid for these opportunities and win the opportunity to pilot their solutions with cities, gaining recognition and introductions within new markets.

Requirements

London’s “Cities Summit: Solutions Worth Sharing” event will take place at City Hall in June 2014 and is sponsored by Citi Bank N.A.. The requirements for the events are set out as follows:

£75,000 for the provision of London’s “Cities Summit: Solutions Worth Sharing” event, from sponsorship secured from Citi Bank N.A. As a result the production requirements of the event will be at nil cost to the GLA budget. This will cover the following elements:

Table 1

Item	Supplier	GLA Lead	Description	Cost
Venue Hire	Tender	External Relations	External training venue for peer-to-peer learning session for 30 cities on 23 June	£10,000
	City Hall		Use of the space in LLR, café chamber or CR 4 and 5	£0
Catering	Tender		Breakfast, lunch and two evening receptions	£25,000
Production	Tender		Stage and production Event dressing AV & filming	£25,000
Delegate materials	Tender		Delegate materials	£5,000
Conference programmer	Intelligence Squared		Producing panel debates within the summit, including speakers & moderators	£10,000

Up to £53,000 to be paid for by the GLA towards services provided by Citymart and a prize fund for the winner of London’s Energy Challenge. This will cover the following requirements:

Table 2

Item	Supplier	GLA lead	Description	Cost
Consultancy	Citymart	Environment	Call for proposals to identify the solution provider for London's Challenge	£16,000
Fees	Citymart	Environment	Hosting rights and programming advice for London's awards event	£17,000
Prize Fund	N/A	Environment	Funding for the winning solution provider to pilot London's Challenge	£20,000

Along with seven other cities, the GLA applied to Citymart for the opportunity to host the next Citymart LLGA: Cities Pilot the Future summit in 2014. The GLA's application was accepted by Citymart in September 2013.

Exemptions from the Requirements of the Contracts and Funding Code

Citymart's LLGA: Cities Pilot the Future awards programme is in its fifth year. The provider is unique having built a network of 50 city governments who have chosen to develop and pilot innovations to their services through its awards programme. There is therefore a high probability that going out to tender would not lead to the GLA appointing a provider with the networks to engage this audience in its project. The provider has also built a worldwide network of innovative solution providers who have chosen to follow these cities' calls for proposals through its awards programme. There is therefore a high probability that going out to tender would not lead to the GLA appointing a provider with this capability. As a result the likely outcome of going out to tender is that the costs of the project would increase, key deadlines would be missed or the GLA would be unable to deliver the project's objectives successfully.

Intelligence Squared stages ticketed live debates for members of the public, which have included a number of events related to urban development. They have experience and networks of speakers that are relevant to the themes of the Cities Summit. Intelligence Squared agreed to produce a panel debate as part of the Cities Summit following a request from the GLA. The GLA is unlikely to secure an established and comparable provider who would be prepared to produce these types of debates as part of a Mayor of London branded event. Intelligence Squared have agreed to provide these services within the event as part of a pilot with the GLA, which will determine whether professional debate services could be used in future GLA events aimed at business audiences and funded by commercial sponsorship.

Project management

The project will be managed by the Commercial team, who are working with other teams in External Relations, Environment, Business Engagement and International Relations to ensure the project achieves the desired objectives and outcomes detailed below.

2. Objectives & Expected Outcomes

Objectives

This project will support the Smart London Plan.

Outcomes

"Export London's solutions to the world: run a Smart London Export Programme for 100 London SMEs with UKTI and London & Partners, focusing on high growth global cities"

Around 30 London SMEs from the smart city and low carbon technology sectors will have the opportunity to attend day one of the conference, receive export-focussed training and network with delegates from innovation departments in participant city governments.

“Promote the use of smart grid technologies: such as through Low Carbon London, which is looking at how smart grid technologies can be used to help meet the increased demand for electricity, including the use of spare generating capacity and turning down consumption at times of high use”

The project will culminate in a pilot with London households and small businesses to demonstrate an innovative solution to incentivise smart grid technology uptake and usage.

“Leverage London’s global city role: working with other EU (such as Barcelona, Gothenburg, Copenhagen, and Amsterdam) and global cities (such as New York, Singapore and Tokyo) to share experience, and develop ‘lighthouse’ projects that will demonstrate new approaches at scale”

30 other global cities will join London in piloting their own innovative solutions covering a broad range of urban challenges from regeneration to energy, local commerce to food poverty.

“Collaborate with the Future Cities Catapult and the Digital Economy Catapult: to bring together experts from all over the world to work on how London and other cities can take a more integrated approach to the way they plan and function”

The project is being developed in partnership with the Future Cities Catapult and will work in support of this commitment by identifying experts to collaborate in future studies.

“Establish a Smart London Innovation Network: to identify and link up the huge amount of existing and emerging smart city activity. The Network will bring together entrepreneurs, infrastructure providers, IT and software providers, property developers, corporates, London boroughs, universities, investors, and experts to examine ‘Smart London’ challenges and market opportunities”

The project will work in support of this commitment by identifying interested parties to join with this network.

3. Other considerations

Key risks and issues

	Risk description	Mitigation / Risk response	Current probability (1-4)	Current impact (1-4)	RAG	GLA risk owner
1	The GLA is unable to secure participation from other world city governments in the project	Source the chosen provider who has an existing network of 50 city governments. This will ensure London SMEs are able to gain insight and introductions into new export markets.	3	3	A	GLA External Relations
2	Suitable SMEs from London do not find out about the opportunities to take part in the event and awards programme	Develop a communications plan to promote the awards programme to organisations and channels, such as Future Cities Catapult, that help SMEs involved in urban services and innovation.	2	3	A	GLA External Relations

Safeguard

Of the total budget of £128,000 - £75,000 is through commercial sponsorship and £53,000 is from Environment programme budget. The project has also attracted significant in kind resource from Nesta and Future Cities Catapult.

Exit strategy

The majority of the expenditure is on hosting the event - £75,000 and consultancy fees of £33,000. The remaining £20,000 is allocated as a prize fund for the winning solution to the London challenge. If a satisfactory solution did not come forward the prize money would not be presented.

Links to strategies and Priorities

The project is consistent with the ambitions set out in the Mayor's Economic Development Strategy (EDS) in particular Objective 2 Improving London's Competitiveness. The EDS states that the Mayor will encourage cost effective business support programmes for London's businesses and especially for SME's and entrepreneurs. The EDS includes a commitment for the Mayor to 'oversee a comprehensive international trade strategy to increase London's exports, particularly in rapidly developing markets such as India and China.'

Impact assessments and Consultation

This decision does not require public consultation.

The project has been developed with input from NESTA and the Future Cities Catapult.

4. Financial comments

Approval is being sought for expenditure of up to £128,000 to deliver London's "Cities Summit" event to take place at City Hall in June 2014.

£75,000 of the cost is to be met from sponsorship income from Citibank with the remaining balance of up to £53,000 to be funded from the Environment Programme budgets, held within Development Enterprise and Environment directorate

The £53,000 funding from the Environment Unit is comprised of the following:

£45,000 carry forward request of 2013/14 London Emissions and Greenhouse Gases Inventory (LEGGI) and Climate Change Mitigation and Energy Strategy (CCMES) Minor Projects programme budgets.

£8,000 from 2014/15 LEGGI programme budget, subject to approval.

It should be noted that carry forward requests are subject to the Authority's closure of accounts process and are not guaranteed. In the event that the carry forward is not agreed, the proposed costs will make first call on budget allocated to the Environment Unit in 2014-15.

Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.

The External Relations Unit (External Affairs directorate) along with the Environment Unit (Development Enterprise and Environment directorate) will be responsible for managing the GLA's activities in relation to this decision and ensuring that contracts and associated expenditure complies with the Authority's Financial Regulations, Contracts & Funding Code and Expenses & Benefits Framework.

Virements between directorates require the approval of the Executive Director of Resources.

5. Legal comments

Power to Undertake the Requested Decisions

Under section 30 of the Greater London Authority Act 1999 (the 'Act'), the GLA is entitled to do anything he considers will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment. In the instant case, the officers are seeking authority for the GLA to receive £75,000 in sponsorship income from Citi Bank N. A. and to expend the said sponsorship income on the production of the Cities Summit event, to expend £20,000 towards a prize fund for the winner of London's Energy Challenge and to expend £33,000 on consultancy and hosting rights from Citymart relating to the same event. The purpose of the World City Summit event is to allow London to publicise its challenges and to make a worldwide call for solutions in order to connect with innovative SMEs. In light of this, the expenditure may be viewed as promoting economic development and wealth creation in Greater London.

Furthermore, section 34 of the Act allows the GLA to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In this case, the virement of the £53,000 from the environment budget to the commercial team budget for the purposes of the World City Summit may be viewed as being calculated to facilitate and conducive and incidental to economic development and wealth creation.

Exemption for the Requirements of the Contracts and Funding Code

The GLA's proposed contracts with Citymart and with Intelligence Squared are valued at up to £33,000 and £10,000 respectively. Section 3.6 of the GLA's Contracts and Funding Code (the "Code") requires that the GLA seek three or more written quotations or make a call off from an accessible framework for procurements with a value between £5,000 and £125,000. However, section 5.4 of the Code also provides that an exemption from this requirement may be justified on the basis that the risks of complying with section 3.6 and the benefits of approving the exemption outweigh (in the reasonable opinion of the relevant decision-maker in light of all the circumstances) the risks associated with approving the exemption.

The officers have set out at paragraphs 1 and 3a above the risks associated with the GLA's not entering into the said contracts with Citymart and with Intelligence Squared and the benefits associated with the mayor's approving the exemption from the requirements of the Code, so that the GLA may enter into the said contract. Furthermore, in the case of Citymart, the officers have highlighted in paragraph 1 that, by reason of its extensive network of member-cities, Citymart is best placed provide consultancy services to the GLA in relation to the Cities Summit event. Accordingly, for the purposes of paragraph 5.4 of the Code, it may be argued that there are a limited number of suppliers, which can provide the said consultancy services. In light of this, the mayor may approve the decisions, if he be so minded.

Further Procurements for the City Summit Event

The officers have detailed in Table 1 of paragraph 1 above that they will be procuring print and merchandise, dressing services, the services of keynote speakers, catering and audio visual and production services. In light of this, officers are reminded of the requirements of the Contracts and Funding Code.

Prize Funding

The prize funding proposed will amount to the provision of grant funding and not payment for works, supplies or services. In light of this, officers must ensure that the funding be distributed fairly, transparently and in accordance with the GLA's equalities obligations. Furthermore, the officers must ensure that an appropriate funding agreement be put in place between the GLA and the prize winner, before any funding be paid to the said winner.

Sponsorship

The officers should ensure that the GLA enter into a formal sponsorship agreement with Citi Bank N. A.

Planned delivery approach and next steps

Subject to approval, the project will be carried out as follows:

Activity	Timeline
Appoint and contract Citymart	11/05/2014
Cities Summit, City Hall London. Winners announced.	23-25 June
Evaluation of participant feedback from summit	July - December
Pilot the solution to London's Challenge	July - December
Close project	December

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 this approval to be deferred? YES**

If YES, for what reason: Publication of the DD should be deferred until the procurement process is completed, otherwise value for money may not be achieved, as tendering consultants will not submit a competitive tender.

Until what date: (a date is required if deferring) 16 June 2014

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:

Andrew Richmond has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Stephen Tate has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date