

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD342

Title: Subscriptions required by GLA Economics

Executive Summary:

To produce "London's Economic Outlook" forecast document GLA Economics requires various data. Some of this data is provided through subscriptions to four outside data sources; Cambridge Econometrics, Centre for Economics and Business Research (CEBR), Experian Economics and Oxford Economics. The data provided by Experian Economics is also reported in our monthly publication London's Economy Today and is used in briefings to the GLA Group.

The cost of the four annual subscriptions for the data in 2015 was approximately £32,000 and the service cost estimate for 2016 is expected to be around £33,500. Accordingly, this decision seeks approval to purchase these subscriptions, enabling GLA Economics' comparative analysis and completion of its London forecast.

Decision:

The Assistant Director approves;

- Expenditure of up to £33,503 for the purchase of a 12 month subscription from Cambridge Econometrics, CEBR, Experian Economics and Oxford Economics for the provision of GLA access to their databases
- An exemption from the requirements of section 4.1 of the GLA's Contract and Funding Code to seek a call-off from a suitable framework where possible and if not, to undertake a formal tender process

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: Andrew Collinge

Position: Assistant Director, Intelligence Unit

Signature:



Date:

29/9/15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 To produce the GLA's "London's Economic Outlook" forecast document, GLA Economics must ensure that it has access to all available credible, comparative data to inform its analysis. In order to produce London's Economic Outlook, the GLA subscribes to the four providers of reputable economic forecasting services for London, namely Experian Economics, Oxford Economics, Centre for Economics and Business Research and Cambridge Econometrics (Forecasters).
- 1.2 Although the GLA Economics, Research and Evaluation Framework has been re-established, using a two stage OJEU procurement procedure, the subscriptions required fall outside of the scope of the framework.
- 1.3 London economic forecasts will be purchased from all four of the Forecasters to enable comparison of GLA Economics forecasts with those of other market specialists. The GLA is satisfied that the four Forecasters (who are all included in the Framework) remain, and are, the only organisations who would be able to provide the specific data subscriptions required to produce 'London's Economic Outlook'.
- 1.4 The Forecasters provide historic and forecast data for both the absolute level of Gross Value Added (GVA) and employment in London, as well as forecasts for all sectors of London's economy. This access to specialist data enables comparative analysis of the GLA's "London's Economic Outlook" forecast with the forecasts of market specialists, thereby providing quality assurance of the GLA's in-house forecast. Access to these historic time series and forecasts also allow the GLA to monitor the evolving sentiment around the likely performance of London's economy, as well as informing policy development across different areas of the GLA Group.
- 1.5 The total fees for the four subscriptions in 2015 were £31,500. It is expected that the subscription costs for 2016 will be approximately £33,503.
- 1.6 Officers acknowledge that section 4.1 of the GLA's Contracts and Funding Code ("Code") requires that contracts with an estimated value of up to £10,000 are procured by seeking three or more written quotations or that the services are called off from an accessible framework (Experian Economics, Cambridge Economics, CEBR, Oxford Economics) and that contracts with an estimated value of up to £10,000 to £150,000 are procured either by making a call-off from a suitable framework or by a formal tender process.
- 1.7 However, section 5 of the Code provides that exemptions from that requirement may be approved where there is a complete absence of competition. Following the establishment of the GLA Economics, Research and Evaluation Framework, with specific reference to Lot 1 relating to "Monitoring and Forecasting the London Economy", it has been confirmed that the four current suppliers remain the only companies that would be able to provide the data subscriptions required, and on the basis that the GLA will procure the subscriptions by seeking quotes from the four Forecasters and enter into contract with all four. Therefore no party will be put at a disadvantage as subscriptions will be purchased from all of the market. Purchasing all four forecasters' data also ensures that GLA Economics has access to complete set of information and is able to ensure that analysis is not distorted by outliers in these forecasts.

2. Objectives and expected outcomes

- 2.1 To purchase subscriptions from Experian Economics, Oxford Economics, Centre for Economics and Business Research and Cambridge Econometrics for the provision of credible, comparative economic data on London to produce the GLA's "London's Economic Outlook" forecast and other reports.

3. Equality comments

- 3.1 Equality considerations have been taken into account as a part of this procurement process, however, as these subscriptions relate to economic data the selection of data providers are based on the suitability of the product provided implying that the selection is likely to have only limited or no implications for equality.

4. Other considerations

Risk

- 4.1 The subscriptions will be managed in line with standard GLA Group contract procedures, drawing on advice from TfL procurement officers where required. If we do not purchase the subscription we will have an inconsistent data series and will be unable to produce London's Economic Outlook for the GLA Group.
- 4.2 The subscriptions are to be procured through seeking quotes from the four Forecasters; however if one of the Forecasters decided not to quote a price for their annual subscription within the invitation to tender period, then this would severely impact on the "London's Economic Outlook" forecast report, and its wider use within the GLA Group, such as in the London Plan or TfL planning projections. However, the likelihood of this risk occurring is deemed by GLA Economics to be very low.

Links to strategies and Mayoral and corporate priorities

- 4.3 London's Economic Outlook is a fundamental requirement for GLA Group planning. The data is also required for additional work completed by GLA Economics for TfL's planning projections.

Impact assessments and Consultation

- 4.4 The creation of forecasts is an agreed output of the GLA Intelligence business plan.

5. Financial comments

- 5.1 The total estimated cost of the proposed contracts is £33,503 (for the period from 1 Jan 2016 to the 31 December 2016). The estimated cost per contract is as follows:

Cambridge Econometrics	£8,323
CEBR	£5,200
Experian Economics	£14,000
Oxford Economics	£5,980
Total	£33,503

- 5.2 The proposed subscriptions will span two financial years (2015-16 - £8,375; 2016-17 - £25,128) for which costs are to be contained within the existing GLA Economics Budget held within the Intelligence Unit, with the 2016-17 budget being subject to the Authority's budget process for 2016-17. Any changes to this proposal, including cost and budgetary implications, will be subject to further approval via the Authority's decision-making process.

6. Legal Comments

- 6.1 Sections 1-4 of this report indicate that:

- 6.1.1 the decisions requested of the assistant director (in accordance with the GLA's Contracts and Funding Code) relate to expenditure for the commissioning of supplies and services which fall within the GLA'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:
- (a) 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 not¹;
 - (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 Section 4.1 of the GLA's Contracts and Funding Code (the 'Code') requires the GLA to seek three or more written quotations where the estimated value of the contract is up to £10,000 or where the services or supplies are from £10,000 to £150,000 then these should be procured by either making a call off from an accessible framework or by a formal tender (see financial comments for prices of proposed subscriptions). However, the assistant 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 in the market. Officers have indicated at paragraph 1.7 of this report that this ground applies and that the proposed contracts affords value for money.

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

Officers must ensure that appropriate contract documentation is put in place and executed by the Forecasters and the GLA before the payment of any sums and the provision of any supplies or services.

7. Planned delivery approach and next steps

¹ 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.

- 7.1 This is not necessary as this ADD relates to the purchase of subscription data service from external economic consultancies; the subscription data will be used to produce "London's Economic Outlook" forecast document and, more generally, to inform GLA Economics' analysis of the state of the London's economy.

Appendices and supporting papers:

ADD238 – 2014-15 Procurement of Subscriptions required by GLA Economics

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:

Brian Smith 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:

29.09.15