

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD346

Title: Consultancy support for Horizon2020 Lighthouse Bid

Executive Summary:

The Intelligence Unit is leading on the bid to the European Commission's Horizon 2020 Smart Cities and Communities *Lighthouse* demonstrator programme. The value of a successful bid would lead to approximately €8m of EC funding into London. The project demonstrates new opportunities for economic efficiency, reduced environmental impact and improved quality of life at the interface between energy, transport and digital systems in cities. A successful application would enhance London's developing reputation as a leading Smart City.

Analysis undertaken for the Technology Strategy Board (TSB) suggested that the market potential for city systems integration (informational, physical & organisational) and Smart solutions – that make use of data and ICT to drive efficiencies and new services - will be at least £200bn per annum by 2030. The recently established Smart London Board aims to help position London as a leading proponent of these. The bid would help deliver on the ambitions laid out in the Smart London Plan.

Consultancy support is sought to build and manage a project consortium and deliver a consortium bid document. This decision requests confirmation of expenditure to cover related consultancy activity taking place in this financial year.

Decision:

The Assistant Director approves expenditure of £30,000 on consultancy support for the London bid to the Horizon 2020 SCC *Lighthouse* Demonstrator programme.

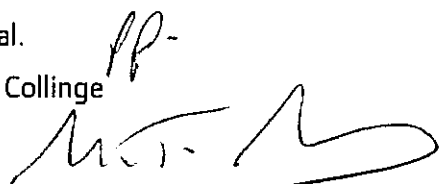
AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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

Signature:



Position: Assistant Director, Intelligence

Date:

28.08.15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Smart Cities and Communities (SCC) Horizon2020 *Lighthouse* programme integrate the complementary policy areas of energy, transport and digital. These themes align with the Mayor's own energy, environment and transport agendas, as well as with the Smart London Plan and the London Infrastructure Plan. In May 2015, the GLA initiated a plan to develop a bid to lead, on behalf of London, a *Lighthouse* project.
- 1.2 The *Lighthouse* programme aims to identify, develop and deploy replicable, balanced and integrated solutions in the energy, transport, and ICT actions through partnerships between municipalities and industries. These solutions at the intersection of the three sectors will have a holistic approach and are still facing first mover risk. *Lighthouse* projects will target primarily large-scale demonstration of replicable SCC concepts in city context where existing technologies or very near to market technologies will be integrated in an innovative way.
- 1.3 The key challenges for SCC are to significantly increase the overall energy efficiency of cities, to exploit better the local resource both in terms of energy supply as well as through the demand side measures. This will imply the use of energy efficiency measures optimising at the level of districts, the use of renewables, the sustainability of urban transport and the needed drastic reduction of greenhouse gas emissions in urban areas – within economically acceptable conditions – while ensuring better life conditions: lower energy bills, swifter transport, job creation and higher resilience to climate impacts.
- 1.4 The scope of the SCC call is to identify, develop and deploy replicable, balanced and integrated solutions in the energy, transport, and ICT actions through partnerships between municipalities and industries. These solutions at the intersection of the three sectors will have a holistic approach and are still facing first mover risk. *Lighthouse* projects will target primarily large scale demonstration of replicable SCC concepts in city context where existing technologies or very near to market technologies will be integrated in an innovative way.
- 1.5 *Lighthouse* projects are essentially flagship demonstrators that can support wider market transition in Europe, involving three primary cities that would receive the bulk of any EC funding and three follower cities initiating replication. A successful London-led bid would not only secure inward investment but would also position London well in the smart, sustainable cities space.
- 1.6 The EC are looking for bids of between €18-25m. A lead partner might then expect to receive €8-10m going to the delivery organisations and not to the GLA. The funds would have to be matched, probably at least 2:1, for the demonstration elements – i.e. if London lead a bid, the GLA would need to secure partner investments of say €20-30m in the London project. Potential funding partners have already been identified.
- 1.7 The bid will illustrate a close link with structural funds and the planning for structural fund programmes. This has been addressed by the GLA to an extent already, in that some of the priorities for our structural funds programme are closely aligned with the priorities for Smart Cities and Communities. This would enable the structural funds programme to fund activities that could deliver replication and roll-out of various elements of a *Lighthouse* project.

- 1.8 Leading a bid of this magnitude is highly resource intensive. Up to £30,000 is required for consultancy support, to supplement the significant amount of GLA officer time, also to be dedicated to the bid development. The funding will be used to procure specialist consultancy support with significant expertise in European Commission policy, an ability to bring together complex technical bids involving a wide range of city and industry partners, and able to draw on excellent connections in Europe. The consultancy team will play a key role in the actual writing of the bid document.

2. Objectives and expected outcomes

- 2.1. To convene a consortium and produce a successful proposal to establish a Lighthouse demonstrator project in London which achieves the following:
- 2.2. SCALE: To prove that properly designed (and more common) smart city solutions can be integrated in complex urban environments to exhibit their true potential and allow for the significant scale-up and consequent increase in social, economic and environmental value.
- 2.3. DIGITAL FIRST: To explore and prove the extent to which a difference can be made through adopting a digital first and data driven approach to the improvement and 'connecting up' of existing infrastructure, as well as the design and running of new city infrastructure. A Smart City might be described as one that "dramatically increases the pace at which it improves its sustainability and resilience, ...by fundamentally improving how it engages society, how it applies collaborative leadership methods, how it works across disciplines and city systems, and how it uses data and integrated technologies, ...in order to transform services and quality of life for those in and involved with the city (residents, businesses, visitors)". We want to drive the creation of a new set of next stage digital services which will help citizens make better choices around transport and energy efficiency, which when scaled up will enhance the city's ability to hit key targets for mobility, housing, energy efficiency and resilience, and economic development.
- 2.4. OPEN-UP & ACCELERATE the MARKET: To understand, develop and trial business, investment and governance models, essential for the true aggregation and replication (through collaboration) of smart city solutions in cities of different sizes and maturities, in Europe and beyond. And through this to accelerate the pace by which we make transformative improvements, and enhance sustainability.
- 2.5. SHARE & COLLABORATE for SOCIETY: To respond to the increasing demand for participation; to enhance mechanisms for citizens' engagement; to improve local governments capacity for policy making and service delivery through collaboration and co-design; resulting in outcomes that are better for citizens, businesses and visitors.

3. Equality comments

- 3.1. The challenges that cities face include global population growth, ageing populations; ageing also of community infrastructures; resource availability and affordability; waste and the adverse environmental impacts of it; social fragmentation and demand for inclusion and participation; austerity, and the counter challenge of retaining a vibrant economy. This work supports provision of efficient and effective resource distribution and promotes low energy districts, sustainable urban mobility, and integrated infrastructures to the advantage of Londoners.

4. Other considerations

4.1. Key risks and issues

There is a risk that either a suitable London project of sufficient scale and matched investments cannot be convened in time, or that a suitable European partnership of cities and their partners, with matched investments, cannot be convened in time. This risk is being mitigated by investing in internal and external resource and by building on existing experience, existing projects and known expertise.

There is a risk that the planned London led bid is not successful. This risk may be mitigated to some extent in that the projects and collaborations developed could be taken forward to other funding opportunities, including the 2016 round of the EC Smart Cities and Communities Lighthouse call.

4.2. Links to Mayoral strategies and priorities

The Climate Change Mitigation and Energy Strategy set a target to reduce greenhouse gas emissions in London by 60 per cent on 1990 levels by 2025. To meet this target, the viability of a range of carbon saving solutions – in buildings energy efficiency, energy supply and transport fuels – will need to be first demonstrated; then deployed at scale in London. The EC Smart Cities programme, with its explicit focus on carbon saving, provides an opportunity to do this.

The Smart London Plan articulates Mayoral objectives for the use of digital innovation to address resource efficiency and sustainability, identifying the objective to leverage £200m towards Smart Cities approaches in London by 2020.

4.3. Impact assessments and Consultation

The GLA will be consulting a range of stakeholders through the bid development process, including businesses, academia, local authorities and Londoners.

5. Financial comments

- 5.1 The total cost of this consultancy contract will be up to the value of £30,000 and will be funded from the C&I Minor Programme budget, Intelligence Unit allocation (£25,000) and the Environment Programme budget, specifically the European Funded Project budget (£5,000) in 2015-16. The £5,000 contribution from the Environment budget will be transferred to the Intelligence Unit and given that it is a cross-directorate transfer, as per the Authority's Financial Regulations, the Executive Director of Resources (or his delegated officer) is required to approve.
- 5.2 It should be noted that if the bid is successful, match funding will need to be secured via external partner contributions as there is an expectation that the GLA will not be providing any match-funding for the programme. As per the main body of this report, potential partner contributions have already been identified.
- 5.3 Any changes to this proposal and / or decisions resulting from the work of the consultancy contract (including budgetary implications) will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.

6. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	August 2015
Delivery Start Date	August 2015
Delivery End Date	October 2015
Project Closure	TBC

Appendices and supporting papers:

<http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/2145-scc-01-2014.html#tab1>

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:

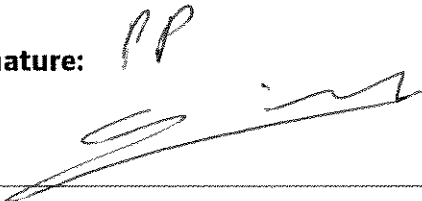
Nerida Devane has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

21 AUG 15