

**REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD174**

**Title: Commissioned Research: London Output Area Classification**

**Executive Summary:**

The Census Information Scheme plans to commission a research project culminating in the delivery of a London Output Area Classification (LOAC). Output area classifications are used for local level resource allocation and service planning.

The classification the Office for National Statistics (ONS) will launch for England and Wales does not meet the needs of users of Census information in London due to the unique characteristics many of London’s local areas exhibit when compared to other areas in England and Wales.

This ADD form seeks authorisation to commission a team of academics based at University College London (UCL) to undertake the creation of a London Specific Output Area Classification up to a maximum expenditure of £19,460.

**Decision:**

That the Assistant Director approves:

- Expenditure of up to a maximum of £19,460 to UCL for the delivery of a London Specific Output Area Classification.
- A related exemption from the requirement (under section 3.6 of the GLA’s Contracts and Funding Code) to seek three or more competitive quotations for the required services/call off the required services from an accessible framework

**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

**Signature:**

**Date:**

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

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

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

The Census Information Scheme plans to commission a research project culminating in the delivery of a London Output Area Classification. Output area classifications are used for local level resource allocation and service planning.

The classification the Office for National Statistics (ONS) will launch for England and Wales does not meet the needs of users of Census information in London due to the unique characteristics many of London's local areas exhibit when compared to other areas in England and Wales.

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

The overarching aim is to improve the evidence base for decision making and service delivery in London, by making a new and comprehensive data resource available to public, private and third sector parties seeking to understand the characteristics of the capital's small areas. This research will achieve this objective by,

- Testing whether changes to the methodology and variables used in 2001 have resulted in additional granularity and insight in the 2011 classification when the analysis is run on Greater London data only.
- Providing a range of outputs including raw data, visualisations, tools and pen-portraits to assist users in interpreting and deploying the data effectively.
- Creating an entirely new and open-source dataset for the analysis of the characteristics of small areas in London, accompanied by a full transparent statement of the methodology employed.
- Delivering recommendations for further research based on the findings from this analysis.

Specific deliverables will consist of the following:

##### **Raw data files**

- These will include both numerator and denominator census variables, alongside pre-calculated ratios (e.g. density) for all UK OAC inputs.
- Two further data tables will be provided for the percentage calculations, followed by standardised data.
- The length of the raw data will correspond to the frequency of 2011 Output Areas within the Greater London boundary (the extent of the study area).

##### **Lookup file**

- This table will include the 2011 Output Area code, followed by the LOAC Super Group, Group and Sub Group codes.

##### **Cluster names**

- For each Super, Group, and Sub cluster, a set of names will be supplied for agreement.

### **Pen Portraits**

- For each Super, Group, and Sub cluster a short description of salient characteristics will be provided. This will focus on those attributes most over or under represented, and specifically those which have guided the names. Each written description will be approximately 150-200 words. For each Super, Group, and Sub cluster a set of hex value cluster colours will be suggested for agreement.

### **Visualisation**

- A “grand index” will be provided, with rows corresponding to the Super, Group and Sub clusters; and columns for each of the input variables. Cells will contain index scores for each of the variable-cluster combinations.
- Summary radial plots or index scores will be provided to illustrate the composition of each Super Group and Group with respect to each of the 2011 OAC input variables.
- A PDF atlas will be generated for each London borough illustrating the output classification.

### **Methodological Report**

- Discussion of context of geo-demographic analysis.
- List of Input variables.
- Detailed description of standardisation procedures – using 2011 Census data for London rather than the UK or any of its constituent countries.
- Detailed description of clustering method and choice of cluster frequency.
- Validation and summary comparison to 2011 UK OAC.

### **Results Presentation**

- Key findings will be presented to the GLA Census User Group meeting, for discussion and possible refinement.

## **3. Other considerations**

### a) key risks and issues

- The only risk to this procurement is the potential for non-delivery against the agreed set of deliverables. In the attached quote, each element of the project has been addressed separately in the cost breakdown ensuring the financial impacts of non-delivery can be mitigated against accurately if required.
- This ADD seeks permission to be exempted from the GLA’s Contracts and Funding Code by way of directly appointing UCL to carry out the services. This approach will ensure that the product achieves maximum impact by 1) replicating the methodology used to create the national classification (this is essential for the purposes of clarity and comparative analysis and will be crucial to ensuring the product achieves maximum take up) 2) Increasing the credibility of the final output through links to a leading research intensive university, and 3) provide value for money on account of the removal of the requirement to design a methodology appropriate for the work. One of the grounds for exemption in section 5 from section 3.8 of the GLA’s Contracts and Funding Code to undertake a competitive procurement exercise is where no other supplier is able to undertake the services. Officers have confirmed that this is the case.

b) links to Mayoral strategies and priorities

A detailed London output area classification has the potential to contribute to the evidence base for any Mayoral Initiative involving understanding the spatial characteristics of London's population. All of the following could benefit from a London OAC:

- London Plan
- The Economic Development Strategy
- The Infrastructure and Investment Plan
- The Mayor's Health Inequalities Strategy
- The London Enterprise Panel
- Education Delivery Programme

c) impact assessments and consultations.

Census Information Scheme Members have been consulted on the proposal to commission this research through Census User Group stakeholder meeting and have expressed support.

It is proposed that the costs of the research are met through the Census Information Scheme reserves.

#### **4. Financial comments**

- 4.1 Approval is being sought to commission UCL to undertake a research project for the delivery of a London Specific Output Area Classification as detailed within the main body of this report (seeking an exemption to the contracts & funding code for this purpose).
- 4.2 The estimated cost of the proposed contract will be up to £19,460 and will be funded via a drawdown from the Census Information Scheme Reserve in the 2014-15 financial-year, when costs are to be incurred. It should be noted that as at the 31 March 2013, the balance on this reserve totalled £641,873. All appropriate budget adjustments will be made.
- 4.3 Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process.
- 4.4 The Intelligence Unit within the Communities & Intelligence Directorate will be responsible for managing this project and ensuring that all expenditure adheres to the Authority's Financial Regulations, Contracts & Funding Code and Expenses & Benefits Framework.

#### **5 Legal comments**

- 5.1 The foregoing sections of this report indicate that:
  - 5.1.1 the decisions requested of the Assistant Director (in accordance with the GLA's Contracts and Funding Code) fall within the GLA's statutory powers to do such things considered to further or which are facilitative of, or conducive or incidental to the promotion of social improvement in Greater London. In formulating the proposals in respect of which a decision is sought officers have complied with the GLA'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.

5.2 All services required will 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 liaise with Transport for London Procurement in this regard.

5.3 Officers shall ensure that they liaise with legal Services in the preparation and execution of all contracts for services being procured.

5.4 Section 3 of the Contracts and Funding Code (“the Code”) requires the GLA to seek 3 or more written quotes in respect of the services required or call –off the services from an accessible framework. 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 where no other supplier is able to undertake the services. Officers have indicated in this report that this ground applies and that the proposed contract also affords value for money. On this basis, the Assistant Director may approve the proposed exemption if satisfied with the content of this report.

## 6. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract [for externally delivered projects]	
Announcement [if applicable]	N/A
Delivery Start Date [for project proposals]	31.3.2014
Final evaluation start and finish (self).	09.06.2014 Start 04.07.2014 Finish
Delivery End Date [for project proposals]	06.06.2014
Project Closure: [for project proposals]	04.07.2014

### Appendices and supporting papers:

Written specification for a London Specific Output Area Classification.

Written quote from intended supplier.

Single source justification.

**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**

NO

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:**

Richard Walker 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:**