

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD230

Title: London connectivity – approval for external consultant

Executive Summary:

The purpose of this paper is to seek approval to use funds agreed by the London Enterprise Panel (LEP) to appoint Analysys Mason as requested below.

To approve the spend of £20,600 from the LEP budget, approved through the LEP Urgency Paper on 12 September 2014, to enable Analysys Mason (connectivity experts) to complete their report for the Mayor on the state of London's connectivity, to recommend actions to tackle areas where connectivity is below 'next generation' standard, and to inform ongoing discussions with connectivity providers, resellers, boroughs and regulators to tackle this problem strategically across London.

Decision:

That the Assistant Director approves:

1. Expenditure of £20,600 from the LEP budget to procure Analysys Mason's expert, technical and analytical services to provide connectivity information and advice to the GLA.
2. An exemption from the GLA Contracts and Funding Code to undertake a formal tender process on the basis that the supplier is unique in its ability to provide compatibility with an existing service.

AUTHORISING ASSISTANT 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: Debbie Jackson

Position: Assistant Director, Regeneration

Signature:

Date: 15 October 2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Investigating the state of London’s connectivity, providing recommendations to address this and then working with providers to improve the service across London is a critical and urgent piece of work. There are significant issues in important inner London locations (including large parts of the City and Westminster) and in several other locations across London (including but not limited to Rotherhithe, Barnet, Bromley, Ealing and Barking and Dagenham). These issues affect small and medium sized enterprises (SMEs) and residents disproportionately as big businesses can usually afford to pay for their own leased line. The Mayor is passionate about rectifying this issue as quickly as possible. This issue has also recently been highlighted by the Prime Minister.
- 1.2 The GLA already has a £25m programme, entitled the Super-Connected Cities Programme (SCCP), in operation. The £25m has been provided to London as part of the government’s Urban Broadband Fund which aims to create 22 Superconnected Cities across the UK. As part of this project, consultant services were procured with the help of TfL’s procurement team and Analysys Mason were procured to provide these services based on quality assessment criteria and established price.
- 1.3 The GLA Contracts and Funding Code provides an exemption from the requirement to undertake a formal legal process where the supplier is unique in its ability to provide compatibility with an existing service. Because of Analysys Mason’s existing relationships with key London boroughs where connectivity is an issue (in particular the City of London) and with Ofcom and key providers, and because of their work on the Superconnected Cities Project, they are in the unique position of having access to a considerable amount of data to enable them to produce the connectivity report and recommendations for the Mayor to present to all parties (providers, resellers, boroughs) and to do this in a very short space of time. The focus of the GLA’s work is to collect and understand detailed information about areas of London where connectivity is an issue. Of particular note is the City of London, where big businesses are well served because of their ability to pay for leased lines but SMEs and residents suffer from a lack of connectivity. Analysys Mason’s existing contractual relationship with the City of London enables the GLA (with the City of London’s consent, which has been given) to access this detailed connectivity analysis. This not only means we can access existing research immediately, which is important given the urgent nature of the work; it also means the GLA does not have to fund this piece of work separately. This, together with Analysys Mason’s extensive experience in broadband interventions, technical and commercial understanding of the wireless and fixed telecoms markets, and understanding of State aid issues, provides an excellent and compelling value for money offer.

2. Objectives and expected outcomes

- 2.1 The appointment of consultants will facilitate the successful delivery of a connectivity report and recommendations to address connectivity issues facing London. This links closely to the Mayor’s Economic Development Strategy: to ensure that London has the most competitive business environment in the world; to give all Londoners the opportunity to take part in London’s economic success; and to ensure London has the investment in infrastructure it needs to support this.
- 2.2 This commission will allow the GLA to gather as much data as possible and to create recommendations which will enable improved access to ‘next generation’ broadband services for all Londoners including businesses and residents.

- 2.3 This will benefit London's Small and Medium Enterprises ("SMEs") – some of which are based in residential premises - through: enabling increased productivity due to faster and more reliable connections; business expansion and access to new markets; facilitating innovation; improved data security and resilience; cost savings and efficiencies through use of transformational services such as cloud computing and supply-chain integration; improved collaboration and cluster development. The improved SME environment and improved productivity of SMEs will translate to economic growth in London, greater inward investment, increased business start-ups, new jobs and employment growth.
- 2.4 This will also benefit London's residents, ensuring they have access to online services and digital content. This links closely with the Mayor's Digital Inclusion Strategy and the current work the GLA is conducting to improve digital skills across the capital.

3. Other considerations

a) Links to strategies and Mayoral and corporate priorities:

i) The London Plan

The London Plan is the overall strategic plan for London, setting out an integrated economic, environmental, transport and social framework for the development of London over the next 20–25 years. The plan outlines the Mayor's spatial development strategy – a keystone in realising his vision for London as the best big city in the world. As such, he sets two objectives:

- London must retain and build upon its world city status as one of three business centres of global reach.
- London must be among the best cities in the world to live.

To support these objectives the plan highlights the importance of ensuring London has the physical infrastructure to 'facilitate the flow of information increasingly important to a modern city'.

ii) GLA Economic Development Strategy

The Mayor's Economic Development Strategy ("EDS") sets out to promote London as world capital of business; ensure London has the most competitive business environment in the world; aims to give all Londoners the opportunity to take part in London's economic success; and to ensure London has the investment in infrastructure it needs to support this, maximising the benefits from the Olympics legacy. The SCCP is clear in its direct support for each of these objectives – ensuring London has the digital connectivity to offer SMEs a competitive business environment that will maximise their growth, while providing the digitally excluded with the opportunity to also take part.

iii) The Mayor's Digital Inclusion Strategy

The Mayor has made a commitment to produce a digital inclusion strategy to ensure that everyone has the opportunity to get online and access opportunities. This will look at issues such as access, affordability and training. The strategy will look at: rates of digital exclusion, the groups most affected, the barriers to getting online and areas where the Mayor can make a difference. It will support housing providers across London to increase affordable options for connectivity, support activities to increase digital inclusion for older people, publish data on digital inclusion across London, signpost Londoners to resources to get online and become digitally literate.

b) Impact assessments and Consultation

The objectives and outcomes of the project have been derived from previous Mayoral strategies which themselves have been subject to extensive consultation and impact assessment. Key public and private stakeholders have been engaged already during demand stimulation activities.

As part of the commission the consultants and the delivery partner will be required to liaise with relevant local authorities, planners and a diverse range of private sector stakeholders.

c) Risk

Investigating the state of London's connectivity, providing recommendations to address this and then working with providers to improve the service across London is a critical and urgent piece of work. There are significant issues in important inner London locations (including large parts of the City and Westminster) and in several other locations across London (including but not limited to Rotherhithe, Barnet, Bromley, Ealing and Barking and Dagenham). These issues affect small and medium sized enterprises (SMEs) and residents disproportionately as big businesses can usually afford to pay for their own leased line. The Mayor is passionate about rectifying this issue as quickly as possible. This issue has also recently been highlighted by the Prime Minister.

There are reputational risks if GLA does not progress this work as quickly as possible. This risk will be mitigated by GLA assigned project team working closely with Analysys Mason to ensure efficient and effective delivery of the outputs.

4. Financial comments

4.1 The expenditure of £20,600 in 2014/15 to commission Analysys Mason will be funded from the existing revenue element of the Growing Places Fund, as approved by the London Enterprise Panel via the urgency procedure on 12 September 2014 (Growing Places Fund - Revenue Allocations).

5. Legal comments

5.1 The foregoing sections of this report indicate that the decisions requested of the Assistant Director fall 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 and, social development 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:

- (a) pay due regard to the principle that there should be equality of opportunity for all people;
- (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.

5.2 The report indicates that the delivery of a report on broadband connectivity will facilitate economic development, wealth creation and social development in London through providing recommendations for improvement. Enhanced connectivity is also in accordance with a number of key Mayoral strategies and policies.

- 5.3 Section 4.1 of the Authority’s Contracts and Funding Code (“Code”) requires the GLA to seek a call off from a suitable framework or undertake a formal tender process. However, section 5 of the Code provides a single source exemption where the supplier is unique in its ability to provide compatibility with an existing service. The paper sets out Analysys Mason’s involvement with the Superconnected Cities Project and explains why it is in a unique position to provide compatibility with the overall strategies and projects to improve broadband services in London.
- 5.4 Therefore, if the Assistant Director is satisfied with the content of this report she may approve the decisions. Officers must liaise with TfL procurement to ensure that appropriate contract documentation is put in place with Analysys Mason.

6. Planned delivery approach and next steps

<u>Tasks</u>	<u>Dates</u>
Complete report on London connectivity and produce recommendations	Sept-Oct 2014
Conduct further work on recommendations	Sept-Oct 2014

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. N/A

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 (✓)

Stephie Joslin has drafted this report in accordance with GLA procedures and confirms that the following have been consulted on the final decision:

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, 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: