

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD1272

**Title:** Revised Super-Connected Cities Plan

### Executive Summary:

Since last reporting to the Investment & Performance Board on 20 November 2012 and obtaining Mayoral authority to proceed with the London Super-Connected Cities Plan (SCCP) on 12 December 2012, officers have been working intensively with Broadband Delivery UK Limited (BDUK – Government investment vehicle to drive the SCCP programme across UK) who are managing the Urban Broadband Fund (UBF) on behalf of the Department for Culture, Media and Sport (DCMS).

Changes in European Commission broadband guidelines, other UK cities' experience of similar schemes and DCMS's resulting modification of the UBF and the BDUK UBF assurance programme have led to the need to revise the scope of the SCCP. This entails a move from a four-strand, supplied-led scheme for the installation of infrastructure to two-strands: a demand-led SME voucher scheme & a public Wi-Fi scheme.

### Decision:

That the Mayor approves:

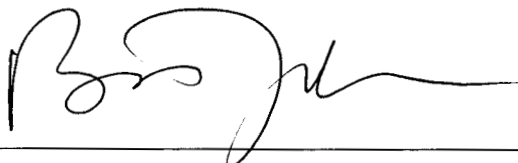
- a) the revised Super-Connected Cities Programme;
- b) the GLA's entry into grant funding arrangements with DCMS under which DCMS will make up to £25m of Urban Broadband funding available to meet the GLA's capital costs of delivery of the SCCP;
- c) expenditure of up to:
  - (i) £25m on the capital costs of the programme;
  - (ii) £110,000 on the recruitment of up to 3 additional fixed term GLA staff to support the administration of the SME voucher scheme;
  - (iii) £255,000 on the extended provision of specialist telecoms project services from Analysys Mason until 30 April 2014;
- d) the procurement of an automated ICT solution to manage and administer the SCCP voucher scheme (estimated contract value £250,000) and
- e) the launch of phase 1 of the SME voucher scheme in six London boroughs in December 2013 prior to a full launch in March 2014.

### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

**Signature:**



**Date:**

7.1.2014

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

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

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

- 1.1 On Monday 6 December 2010, DCMS launched the Government's National Broadband Strategy: "Britain's Superfast Broadband Future". The strategy sets out the Government's vision for broadband in the UK, which is to ensure the UK has the best superfast broadband network in Europe by 2015.
- 1.2 The Chancellor of the Exchequer announced in the 2011 Autumn Statement the creation of a new £100 million Urban Broadband Fund (UBF) that will create up to ten super-connected cities across the UK with 80-100Mbps (megabits per second) broadband connectivity. Belfast, Cardiff, Edinburgh, London and up to six further cities will receive support from the fund over the next three years to deliver these speeds.
- 1.3 Cities participating in this scheme should aim to maximise the availability of broadband at 80-100Mbps and city-wide high-speed wireless connectivity and will have detailed plans to drive take-up from businesses – all with a particular focus on SMEs and strategic employment zones to support economic growth.
- 1.4 London's Super-Connected Cities Plan (SCCP) is ambitious and innovative. It will underpin the capital's aspiration for contiguous ultrafast connectivity, provide the digital infrastructure needed for the new economy and help London to realise its full economic potential. Successful delivery of this plan will be critical to realising the Mayor of London's prime objective: economic growth for London and job creation for Londoners.
- 1.5 The maximum Urban Broadband Fund (UBF) allocation for London (£25 million) is small when compared with other cities on a per-capita basis. The revised SCCP Plan builds upon and refines London's initial SCCP. The investment will ensure London has the digital connectivity worthy of a world city, to support economic diversification and growth.
- 1.6 The three pillars of the national UBF programme are: connection vouchers, wireless concessions and Wi-Fi projects and innovative technology projects. The single largest element of the programme is concerned with connection vouchers (c£90m of the total £150m Urban and Rural Broadband Funds allocation).
- 1.7 In November 2012, the GLA was allocated the maximum award of £25million (in principle – subject to meeting BDUK assurance programme requirements) to invest directly in the provision of ultrafast broadband to support the development of London's businesses and future economy, which is critical to realising the Mayor of London's objective of economic growth and job creation. The GLA's SCCP was developed on the basis of direct investment in broadband infrastructure and was the basis on which the initial IPB approval was sought and endorsed. The SCCP originally consisted of four "pillars"; however the scope of these has since changed due to the reasons described below. It should be noted that the overall project has not diverted from its original objectives, however the proposed delivery mechanisms have needed to be modified.
- 1.8 As noted in the executive summary, following the publication by the European Commission (EC) of revised Broadband State-aid guidelines and other issues arising out of UK cities' experience of similar schemes, further guidance was issued by BDUK in December 2012 to London, along with all other cities awarded funding.

1.9 This was followed, in April 2013; by a ministerial letter confirming that due to EC approval timescales a decision had been taken to remove infrastructure build reliant upon European Commission State aid clearance from the scope of SCCPs.

1.10 This meant that:

- (a) Pillar 1 (Tech City fibre) and Pillar 3 (Royal Docks enterprise Zone fibre) were no longer feasible. The most suitable remaining option for addressing SME connectivity was subsequently a demand-led voucher scheme, and this approach has been promoted by BDUK and adopted as a key component of all SCCPs across the UK.
- (b) Pillar 2 (East London Wireless) was found to be unsuitable due to it potentially competing with existing schemes in London (including TfL's partnership with Virgin Media and a concession model in 12 boroughs being led by Camden). London's SCCP wireless plans have therefore been re-focused on public-building Wi-Fi, so as to avoid impacting competition and related State aid risk.
- (c) Pillar 4 (Westminster digital inclusion fibre) was excluded from the SCCP scope following a due diligence exercise that found the potential risks to be too great.

1.11 As a consequence of these developments, the GLA SCCP scope has now been refocused on two strands: (a) a demand-led SME connections voucher scheme; and (b) a public-building Wi-Fi hotspot scheme. BDUK has approved these two activities, and has provisionally allocated £23.8 million and £1.2 million of UBF funding respectively.

- a) **SME connections voucher scheme.** The voucher scheme will not invest directly in the supply of ultrafast broadband infrastructure; rather UBF will be used to subsidise the provision of micro-grant vouchers to eligible SME recipients to pay for capital costs incurred by SMEs that take ultrafast broadband services from commercial broadband service providers. The up-front costs of ultrafast broadband connections (e.g. fibre or wireless infrastructure installation) have been highlighted as a barrier to take-up by service providers, and by London boroughs that responded to the GLA's consultation. The benefit of the vouchers will accrue to the eligible, participating SMEs but to maximise the efficiency with which the scheme is administered, voucher payments will be made via the participating service providers.

The scheme has been approved by BDUK after successful pilot test in four cities in the UK. BDUK have confirmed with the European Commission that the aid will not be considered to constitute State aid as the scheme will be demand-led and will operate under *de minimis* guidelines. The maximum value of each voucher will not exceed £3,000 (net of VAT) and, due to the high potential impact, the GLA has allocated 95% of its UBF allocation (£23.8 million) to the voucher scheme. Approximately 12,000 SMEs across London are eligible to apply. If all 12,000 apply for the maximum £3,000, not all will be successful since the cost will exceed the funding available. The cost of the ICT system including licence is estimated to be at £280,000 and therefore the remaining UBF allocation from £23.8m will be available to be used for London voucher scheme.

### **SME Voucher Phase 1**

BDUK now requires the acceleration of the voucher scheme throughout the UK, in order to test demand and establish a firm route to delivery prior to a full launch of voucher scheme in March 2014. It is proposed, therefore, to launch a phase 1 voucher scheme in 6 London boroughs (Sutton, Redbridge, Croydon, Enfield, Westminster and the City of London) in December 2013. The participating boroughs have expressed a strong desire to actively participate in the voucher scheme and are willing to contribute resources to deliver Phase 1.

To meet the BDUK and DCMS expectations, Phase 1 will be launched in the six Phase 1 boroughs before Phase 2 is rolled out in March 2014, with applications then being accepted from within all 33 London boroughs.

Phase 1 processing will be undertaken by the boroughs manually using paper application forms. This process will be available through six invited boroughs which have direct access to their SME communities. The six boroughs will be responsible for carrying out administration of the Phase 1 scheme, including satisfying all requirements re due diligence, the conducting of anti-fraud checks and demand stimulation activity which, for Phase 1, will primarily be through direct contact with priority SMEs. The process will then be: the borough will issue a voucher to the applicant SME; once installations are completed the supplier will invoice the SME; the SME will pay the VAT element of the invoice; the SME will pass the invoice to the GLA; the GLA will pay the net cost to the supplier; the GLA will claim grant from BDUK.

BDUK have confirmed that formal EC clearance is not required in relation to State Aid for UBF voucher scheme. The adoption of phased implementation assists in the management of expectations amongst SMEs and the boroughs and minimises the risk of abortive GLA expenditure. The scheme will then be extended to all 33 London boroughs in Phase 2 by which time an automated administration system to support London-wide deployment will have been procured.

Planning and implementation of Phase 1 of the voucher scheme will be run as two distinct operational stages and will run from the start of the planning phase on 30 September 2013 to the end of the Phase 1 period in March 2014. These operational stages are:

- Planning Stage – From September 2013 to December 2013 to prepare for the implementation of Phase 1; and
- Implementation Stage – From December 2013 to March 2014 including the implementation of the voucher scheme in six London boroughs.

### **Voucher scheme administration and support post-phase 1**

To establish the most efficient solution for managing the voucher application process in terms of cost, value for money, processing time, customer-service levels and to allow the GLA to decide on next steps, delivery models were considered. An automated process was considered to be the optimum solution in terms of cost, value for money; processing time and customer-service levels, there are many advantages to the automated system over the manual system:

- reduced time in processing applications, where initial application responses will be automatic;
- improved customer service to the applicant and suppliers;
- more in keeping with the values of a project to improve digital connectivity;
- overall value for money;
- automatic fraud checks, minimising the need for manual intervention. These checks will include:
  - Self-certification by the applicant of owner or landlord permission is anticipated as normal business practice for suppliers. At local discretion, cities may conduct an escalated level of address checking: (i) a cross reference against existing city proprietary databases (e.g. non-domestic rates or council tax check) (ii) external database checks (e.g. VAT number check or Companies House check)
  - The applicant must self-certify that they have not exceeded the de minimis threshold. Cities may wish to consider additional checks if de minimis aid has historically been provided in the region.
  - Suppliers will be pre-qualified by BDUK based on a minimum set of criteria used by industry trade associations.
  - The requirement for two quotations will ensure that suppliers are aware that the Scheme is a competitive process. Further mandatory city checks for value for money will identify and investigate any quotes that appear to be outside the normal range.

- Supplier invoices should be matched against supplier quotations and the corresponding value of voucher awarded. Any invoices which do not match quotation and/or voucher value should be rejected. At local discretion, cities may conduct an escalated level of checking to validate that the bank account details of the supplier are correct.
  - Where fraud or malpractice is present within the Scheme, it is likely to be detected by one of the following sources:
    - Detected by GLA during applicant or supplier quotation checks;
    - Detected by GLA via internal audit checks;
    - Detected by BDUK through supplier registration checks;
    - Detected by GLA or by BDUK through implementation of value for money controls.
- highly transparent reporting framework and audit trail on the overall process and individual applications;
  - removes the need for sourcing staff at short notice in response to demand surges, as an automated solution is not dependent on the number of applications submitted each month;
  - suppliers that will bid for the solution will be evaluated on experience in providing similar types of solutions;
  - the final solution is fully customisable and can be altered at short notice to accommodate any changes (this is a requirement of the procurement specification); and
  - a more environmentally friendly solution, as less paper-based administration and postage.

The automated system will be backed up by GLA staff to perform manual checks, which include: check online databases to validate certain info; keep a log of all applications and processes; validate SME invoices against defined criteria; send invoices to finance for payment processing. The automated system must interface with SAP, the GLA's general ledger, purchase ledger and sales ledger system. A workable solution has now been identified, which will require project staff to provide data for upload in a defined format. This solution is now ready for use.

In addition to this, GLA staff will also:

- record both the applicant SME's and supplier's speed check submissions (both the SME and the supplier must carry out a broadband speed check and submit this as part of the application process);
- subject to the work being completed satisfactorily based on the new line speeds, allow applicant SMEs to submit an online claim with supporting documents for the work carried out;
- verify invoices are legitimate, and that the funded work has been carried out (by means of a service certificate provided by the supplier to prove that broadband speed has increased); and
- issue payment to participating suppliers.

In the event that it is not possible to implement an automated process, phase 1 will be rolled out to all 33 London boroughs manually using paper application forms. This could result in a need for staff in excess of the 3 fixed term contracts requested in this decision, which would be financed from the £1m GPF revenue funding approved under cover of MD1084.

- b) **Public-building WiFi.** The public-building WiFi scheme will facilitate the provision of free 'indoor' WiFi services in public sector owned and operated buildings, with a focus on free-entry museums and art galleries. The project team has consulted with a number of museums and although some offer limited Wi-Fi services, there is significant scope for improvement. The capital funding requirement has been identified as a key barrier to the further deployment of infrastructure, and BDUK has confirmed this would be in line with the objectives of the UBF. Other public buildings were considered for the scheme, however museums were deemed to present the lowest risk in terms of meeting deadlines, and offer the greatest potential value for money. Initial interest expressed by museums in the scheme has been high and a further consultation (which is currently in progress) will be used to develop an outline business case to establish the case for investment. In addition, the scheme will require building owners/occupiers

to provide the resources to design procure and implement the WiFi services, therefore minimising the need for GLA resources. The GLA has allocated £1.2 million from the UBF to the public-building WiFi scheme.

As noted in MD1084 and DD993, because of the complexities of the project and the relatively tight timescales for delivery a range of specialist advice and assistance is required in relation to: digital telecoms infrastructure project management; information technology and telecoms consultancy and market analysis engagement.

As the project progresses and reaches a critical phase (see section 7 below) the need for such services remains and although budgetary allocation was made (under cover of MD1084 and DD993) for expenditure in this regard in the 2013-14 and 2014-15 financial years, further expenditure is required to ensure the continuity of current services required to meet project deadlines which must be met to deliver the project and secure UBF funding from DCMS.

Accordingly, approval is sought to the extension of the GLA's contract with Analysys Mason for specialist telecoms projects services until 30 April 2014 with a value of up to £255,000.00.

Analysys Mason having been working on the project from the outset having been originally procured in April 2012 and providing specialist advice and assistance required in relation to: digital telecoms infrastructure project management; information technology and telecoms consultancy and market analysis.

As a result Analysys Mason have amassed unparalleled experience and knowledge of the needs of the GLA and key stakeholder imperatives. It is crucial that their services are retained at what is a critical point in the project, a high volume of specialist technical being required to meet DCMS UBF funding assurance requirements and deliver the first phase of the project.

Officers acknowledge that because the value of the proposed contract extension section 3.6 of the GLA's Contracts and Funding Code ("Code") requires that a competitive procurement exercise should be conducted. However, section 5 of the Code provides that exemptions from that requirement maybe approved where the risks of complying with section 3.8 of this Code and the benefits of approving the exemption outweigh (in the reasonable opinion of the relevant decision-maker in light of all circumstances) the risks associated with approving the exemption.

In addition it should be noted that the GLA will, working with TfL Procurement, be re-procuring the services competitively between now and the end of the extension in order to ensure value for money over the longer term.

It is considered that the risks of not securing Analysys Mason's continuing services are far greater (potential loss of UBF funding of up to £25million) than any risks associated with the proposed extension of their contract. For details of the risk analysis undertaken and advice in this regard please see part 2 of this report.

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

- a) This investment links 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.
- b) It is expected that the voucher scheme will enable an estimated 12,000 SMEs across London to benefit from ultrafast broadband connectivity. There are 360,000 VAT-registered SMEs, in London,

with approximately 25% of those being in knowledge-led industry sectors. The voucher scheme can have a significant impact by funding connections for an estimated 13% of this target group.

- c) By improving access to ultrafast broadband services, the voucher scheme will benefit London's SMEs 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.

- d) The provision of free Wi-Fi in London's free-entry museums represents a high-impact opportunity, as they are areas of extremely high footfall, and have a direct impact on the tourism economy and its indirect benefits. The scheme is likely to result in: (i) an enhanced customer experience in London's free-entry museums; (ii) an increase in visitors; (iii) an increase in related revenue generation; and (iii) economic benefits and job creation resulting from increased tourism.
- e) The direct and indirect benefits of tourism contributed 8.6% of London's gross domestic product in 2012, and one in 12 jobs in the UK is currently either directly or indirectly supported by tourism. Museums and art galleries are major drivers of the tourism economy, with all of the top five UK tourist attractions by admissions in 2012, being London museums.
- f) The voucher scheme must be in place and capable of committing to the issue of funding by March 2014. Both the voucher scheme and the WiFi scheme must be delivered by March 2015 when the UBF closes.

### **3. Other considerations**

- a) Links to strategies and Mayoral and corporate priorities

This investment links 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.

The London Plan aims to facilitate the delivery of ICT and competitive broadband access to meet the needs of enterprise and individuals. More specifically the Implementation Plan (for consultation, 2012) promotes the expansion of superfast broadband to support the growth of high tech businesses, and identifies white areas (where the private sector will not invest) that need to be addressed.

The super-connected cities investment will directly support the Mayor's Digital London plan. Improving digital connectivity is a major pillar of the digital agenda which will be critical to supporting new firm growth, attracting international high tech investment and creating jobs. The Mayor's overarching ambition is for London to be Europe's digital capital. Investment in ultrafast wireless and broadband connectivity will be critical to realising this, and to the success of related initiatives such as the London Datastore and London's EU funded iCity programme – realising London's smart city ambitions.

In terms of economic opportunity this investment aligns with our policy objectives to tackle digital exclusion, encouraging more Londoners to develop basic digital skills, as well as creating an



expanded market for digital products. This links to our work to partner with Race 2012, integrating with Team London, to recruit volunteer Digital Champions to train residents in time for the Games. The Mayor wants this initiative to deliver an Olympic legacy that is focused on people and skills, expanding the Mayor's ambitions around literacy to include the digital world.

b) Impact assessments and Consultation

No specific consultation or impact assessment has been undertaken for this project. 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 the GLA submission to the DCMS.

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.

A demand stimulation plan has been developed to ensure this project is promoted, which encompasses the broader range of projects and initiatives for improving London's digital infrastructure.

c) Risks & Issues

- **Voucher scheme may be considered by the European Commission to constitute incompatible State aid:** BDUK have and will continue to liaise intensively with the Commission and it is not envisaged currently that the Commission will consider the scheme to require notification. In addition one of the primary purposes of BDUK's pilot activity has been undertaken in other cities is to stress-test the likelihood of any State aid challenges being made.
- **The volume of connections to be delivered under the voucher scheme may make it challenging for suppliers to implement all connections by March 2015:** The project team will work closely with potential suppliers to maximise resource availability and expedite mobilisation when the scheme commences.
- **The complex nature of the scheme in London means that developing an appropriate administration solution has the potential to introduce delays to the project:** The GLA will continue to work with BDUK and the voucher working group to design administration processes that are as automated as possible. Approval is sought to procure an automated system and its capital costs can be subsidised from the UBF.

#### 4. Financial comments

##### 4.1 Approval is being sought:

- a) For a revised London Super-Connected Cities Project (SCCP), comprising an SME connections voucher scheme and a public building WiFi scheme.
- b) To enter into grant funding arrangements with DCMS to receive up to £25 million of Urban Broadband Fund (UBF) capital grant to meet the GLA's capital costs of delivery of the SCCP.
- c) Subject to the grant funding arrangements with DCMS, for capital expenditure of up to £25 million.
- d) To recruit up to three additional fixed term GLA staff (estimated at two Grades 4 and one Grade 6) to support the administration of the SME voucher scheme at a cost of up to £110,000.
- e) For the extension of the existing contract with Analysys Mason until 30 April 2014 at a cost of up to £255,000.



- f) To launch phase 1 of the SME voucher scheme (a manual process, using paper application forms) in six London boroughs in December 2013 prior to the full launch of an automated process in March 2014, and enter into related agreements with those boroughs.
- 4.2 The capital expenditure of up to £25 million will be funded from the UBF capital grant.
- 4.3 The UBF grant must only be used for capital costs. According to the specification, the proposed solution costs can be broken down as follows:
- i) Custom software development for an online portal that will be used to manage and administer the voucher scheme. This will be subject to the successful completion of an OJEU-based procurement process. The cost of purchasing an automated ICT software package (including licences) can be capitalised so long as it results in the creation of a GLA-owned tangible or intangible asset.
  - ii) Hosting the portal. This cannot be capitalised if a supplier's server is used, since this is deemed to be a service. The cost of using an existing GLA server needs to be investigated further. The cost of purchasing a new GLA server to host the software can be capitalised.
  - iii) A licence to use the supplier's Information Management System for analysis of data generated through the portal system. This can be capitalised.
  - iv) A contact centre. This will be a revenue cost.
  - v) Manual third party credit checks of applicant SMEs, additional to the checks undertaken by the automated system. This will be a revenue cost.
- The revenue element of the proposed solution costs will be funded from the £1 million Growing Places Fund (GPF) revenue funding approved under MD1084. As at mid-November 2013, committed spend from this budget is £420,000 (£50,000 re Eversheds, £370,000 re Analysys Mason).
- 4.4 The revenue expenditure of up to £365,000 in respect of additional staff and the contract extension will be funded from the £1 million GPF revenue funding approved under MD1084.
- 4.5 The additional staff will be required March 2014 to March 2015.
- 4.6 In the event that it is not possible to implement an automated process, phase 1 will be rolled out to all 33 London boroughs manually using paper application forms. A further decision would outline the consequences arising from this change. It has already been identified that additional staff would be needed. These could be funded from the £1 million GPF revenue funding approved under MD1084.
- 4.7 Broadband Delivery UK Limited (BDUK) have verbally confirmed that, in the event of a State Aid challenge, we are covered by BDUK for costs **up to the point that they instruct us to stop the scheme** so long as we have complied with the conditions.
- 4.8 MD1084 approved £1.17 million GPF capital funding for this project. This funding is no longer required.
- 4.9 All requisite budget adjustments will be made
- 4.10 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 4.11 The Regeneration Team within the Development, Enterprise & Environment Directorate will be responsible for managing this project.

## 5. Legal comments

5.1 Sections 1-4 of this report indicate that:

- 5.1.1 the decisions requested of the Mayor fall within his powers, acting on behalf of the Authority, to do anything which promotes economic development and wealth creation in Greater London; and
- 5.1.2 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;
  - (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 Section 3.6 the Authority's Contracts and Funding Code ("Code") requires that a competitive procurement exercise should be conducted for contracting opportunities with values of the proposed extension of Analysys Mason's contract. However, section 5 of the Code provides that exemptions from that requirement maybe approved where the risks of complying with section 3.6 of this Code and the benefits of approving the exemption outweigh (in the reasonable opinion of the relevant decision-maker in light of all circumstances) the risks associated with approving the exemption. Further advice on risk is set out at part 2 of this report the content of which includes legally privileged material. Therefore, if the Mayor is satisfied with the content of this and the related part 2 report he may approve the exemption. Officers must liaise with TFL procurement to ensure that the proposed extension of the Analysys Mason contract is formalised in accordance with the current contractual provisions before the commencement of the extended services.

5.3 Officers must ensure that:

- 5.3.1 a clear written commitment to the provision of UBF is obtained from DCMS/BDUK and they are satisfied that the GLA can meet the conditions of such funding before any reliance is placed upon the same and written confirmation from DCMS as to the commitment outlined at section 4.7 above is sought as a matter of urgency;
- 5.3.3 any supplies and/or services required for the delivery of the SCCP are procured by Transport for London Procurement and officers should liaise with Transport for London Procurement in this regard and ensure that appropriate contract documentation is put in place with and executed by proposed service providers before the commencement of the required supplies and/or services;
- 5.3.4 funding disbursed by the GLA in delivery of the SCCP is distributed fairly, transparently, in accordance with the GLA's equalities obligations and in a manner which demonstrates value for money; and
- 5.3.5 appropriate terms are put in place with the:
  - a. beneficiaries of SME voucher scheme funding;

- b. service providers through whom payments under the voucher scheme are to be made for the benefit of SME beneficiaries;
  - c. phase 1 boroughs to govern the extent of their support and what is required by the GLA in this regard;
  - d. public sector owners/operators of buildings eligible for participation in the public wi-fi scheme.
- 5.3.6 they liaise with the GLA's HR team regarding the proposed recruitment of staff and comply with all HR procedures in this regard including seeking the approval of the Head of Paid Service regarding any creation of posts in this regard; and
- 5.3.7 continue to liaise with TfL Legal and Procurement, the GLA's finance team and all other internal and external advisors and stakeholders in the further development and delivery of the project.

## **6. Investment & Performance Board**

This decision was considered by the Investment and Performance Board on 3<sup>rd</sup> October 2013. Following consultation with Members, the Chair of IPB confirmed that he is content to recommend for approval /endorse the proposals.

IPB agreed that:

- a) That the revised SCCP comprising an SME connections voucher scheme and public-building WiFi scheme be approved in principle;
- b) That it be noted that the £1.17m of capital funding from the Growing Places Fund (GPF) as the GLA match contribution towards the SCCP funding envelope, made in principle during the funding application phase, is no longer required as a result of the revised SCCP scope described in section 3 of the report;
- c) That the procurement of an automated ICT solution to manage and administer the SCCP voucher scheme, to be reimbursed from £25m UBF SCCP capital funding (provided that the BDUK unconditional offer letter is received, prior to commencement of the procurement process) be approved in principle;
- d) That the recruitment of up to 3 additional fixed term GLA staff (estimated at 2 grades 4 and 1 grade 6) to support the administration of the voucher scheme at an estimated cost of up to £110,000 (to be drawn down from £1m GPF revenue funding already approved under cover of MD1084) be approved in principle; and
- e) That it be noted that an MD would follow, seeking approval for the delegation of decisions on the detailed allocation of the SCCP budget, the approval to commit to the individual projects under the revised two pillars and the authority to enter into specific funding agreements with project partners to the Executive Director - Development, Enterprise & Environment.

## **7. Planned delivery approach and next steps**

Task Name	Duration	Start	Finish
<b>GLA approval process</b>	<b>30 days</b>	<b>Thu 12/09/13</b>	<b>Wed 23/10/13</b>
<b>Voucher scheme</b>	<b>445 days</b>	<b>Thu 01/08/13</b>	<b>Thu 23/04/15</b>
BDUK processes	58 days	Thu 01/08/13	Mon 21/10/13
GLA operational readiness	165 days	Thu 01/08/13	Fri 28/03/14
<i>Define administration solution</i>	<i>30 days</i>	<i>Thu 01/08/13</i>	<i>Wed 11/09/13</i>
<i>Recruit and train GLA in-house resources</i>	<i>22 days</i>	<i>Mon 24/02/14</i>	<i>Tue 25/03/14</i>
<i>Procure and develop outsourced systems</i>	<i>88.5 days</i>	<i>Thu 12/09/13</i>	<i>Wed 22/01/14</i>
<i>Application Implementation</i>	<i>58 days</i>	<i>Tue 07/01/14</i>	<i>Fri 28/03/14</i>
Demand stimulation	123 days	Tue 01/10/13	Fri 28/03/14
Voucher scheme operational	280 days	Fri 28/03/14	Thu 23/04/15
<b>Public Wi-Fi scheme</b>	<b>441 days</b>	<b>Thu 01/08/13</b>	<b>Fri 17/04/15</b>
GLA operational readiness	95 days	Thu 01/08/13	Wed 11/12/13
<i>Registration of demand</i>	<i>12 days</i>	<i>Thu 01/08/13</i>	<i>Fri 16/08/13</i>
<i>Project Team Meeting (Next Steps)</i>	<i>1 day</i>	<i>Wed 28/08/13</i>	<i>Wed 28/08/13</i>
<i>Prepare consultation paper</i>	<i>7 days</i>	<i>Thu 29/08/13</i>	<i>Fri 06/09/13</i>
<i>Museum consultation period</i>	<i>15 days</i>	<i>Thu 12/09/13</i>	<i>Wed 02/10/13</i>
<i>Supplier consultation</i>	<i>10 days</i>	<i>Thu 03/10/13</i>	<i>Wed 16/10/13</i>
<i>Plan grant conditions &amp; Procurement route</i>	<i>20 days</i>	<i>Thu 17/10/13</i>	<i>Wed 13/11/13</i>
<i>Author grant agreement</i>	<i>15 days</i>	<i>Thu 14/11/13</i>	<i>Wed 04/12/13</i>
<i>Preparation of grant agreements for execution</i>	<i>5 days</i>	<i>Thu 05/12/13</i>	<i>Wed 11/12/13</i>
Grant period	279.5 days	Mon 03/03/14	Fri 27/03/15
Close Project	15.5 days	Fri 27/03/15	Fri 17/04/15

**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 Part 1 of this approval to be deferred? YES**

If YES, for what reason:

It contains information the disclosure of which would be likely to prejudice the Authority's commercial interests by distorting competitiveness in the relevant market. Such distortion impacts upon the Authority's ability to secure competitive and sustainable bids for the provision of such supplies and services and value for money which is not in the public interest

Until what date: 30 March 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:**

**Amjad Malik** 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:**

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

✓

**Sponsoring Director:**

Debbie Jackson has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Kit Malthouse has been consulted about the proposal and agrees the recommendations.

✓

**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

*M. J. Allen*

Date

19.12.13

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

*Edmund H...*

Date

02:01:2014

