

REQUEST FOR DIRECTOR DECISION – DD1193

Title: Science and technology – a cluster analysis

Executive Summary:

This decision requests approval to spend up to a maximum of £100,000 to commission an evidenced based understanding of the size, make-up and dynamics of London's science and technology sectors. The analysis will feed into policy development led by the London Enterprise Panel in working to maximise their economic contribution, and the inward investment activities of London & Partners; forming a nuanced understanding of London's offer to global and domestic investors, potential collaborators, foot loose talent and entrepreneurs.

Decision:

That the Director approves:

Expenditure of up to a maximum value of £100,000 from the Local Enterprise Partnerships Strategic Plans Funding to commission a cluster analysis of London's science and technology sector through a competitive tendering process.

AUTHORISING 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: Fiona Fletcher-Smith

Position: Executive Director-Development,
Enterprise & Environment

Signature:

Date: 24 April 2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

This decision requests approval to commission an evidenced based understanding of the size, make-up and dynamics of London's science and technology sectors through a competitive tendering process in accordance with the Contracts and Funding Code and in conjunction with TfL procurement.

2. Objectives and expected outcomes

The analysis will feed into policy development led by the London Enterprise Panel in working to maximise their economic contribution, and the inward investment activities of London & Partners; forming a nuanced understanding of London's offer to global and domestic investors, potential collaborators, foot loose talent and entrepreneurs.

The GLA is looking for an innovative piece of research, that presents something new and different, whilst being robust enough to underpin future policy making and withstand scrutiny.

- The research will examine how the GLA can develop an evidence based understanding of new emerging clusters - including fin-tech, ed-tech, ad-tech, med-tech, bio-tech, clean-tech etc
 - The research will identify where these clusters are emerging, their business make-up, dynamics (as listed below), and economic contribution
 - The research will include an examination of core dynamics, including:
 - cross sectoral relationships (e.g. what is the evidence that London's strengths in digital are converging with the green sector and the health sector)
 - geographical relationships (e.g. economic interlinkages with the Cambridge Stansted corridor)
 - horizontal relationships (e.g. businesses sharing resources)
 - vertical relationships (e.g. supply chains, and non-traditional dependencies such as between the NHS, charities, business and government)
 - Explore impacts of known future changes e.g. Crossrail, Francis Crick Institute, etc.
- The research will build on existing analyses undertaken by BIS, GLA Economics and the ONS (which are limited by the make up of the SIC code system), and the current economic development analysis being undertaken by McKinsey.
- While the scope of the research is limited by the funding available, the GLA will explore with commissioned consultants the extent to which the research can present an evidence based understanding of London's core competitive advantage relative to London's competitors – including Boston, New York, San Francisco, and other global centres.

3. Other considerations

On the 7th January 2014, the LEP approved the allocation of up to £100,000 to help meet the below objective in the LEP's Jobs & Growth Plan - to "map London's science and technology knowledge base, to help firms and investors identify opportunities to exchange information, ideas and collaborate". This is included as Action 26 in the London Enterprise Panel's Jobs & Growth Implementation Plan. The research findings will also support the delivery of the Mayor's Smart London Plan, and MedCity as identified in the Mayor's Vision 2020.

	Risk description	Mitigation / Risk response	Current probability (1-4)	Current impact (1-4)	RAG rating	GLA risk owner
1	The scope of the research is too ambitious	We will work with the consultants to prioritise, and notify DCST	2	2	A	CG
2	The consultants are unable to measure convergence sectors in a meaningful way	We will encourage the consultants to take a creative approach, and can advise on alternative methodologies	2	2	A	CG
3	The research utilises a different definition of the science and tech sector, which is not comparable with the existing research base / confuses the market	Existing definitions are not robust. We will work with partners to establish a robust definition and encourage its wider use.	3	2	R	CG

4. Financial comments

- 4.1 Approval is being sought to undertake a procurement exercise for consultancy relating to a cluster analysis of London's science and technology sector.
- 4.2 The estimated cost of this contract is up to £100,000. It is expected the commission will be wholly undertaken in 2014/15.
- 4.3 The revenue cost of £100,000 will be funded from the 2013/14 Local Enterprise Partnerships Strategic Plans Funding, for which the GLA is the Accountable Body.
- 4.4 The use of Strategic Plans Funding has been approved by the Local Enterprise Partnership (LEP) at its meeting 7 January 2014.
- 4.5 All appropriate budget adjustments will be made.
- 4.6 As this decision relates to contracts, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to.
- 4.7 As these contracts are consultancy based, officers also have to ensure that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are adhered to.
- 4.8 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 4.9 The Economic and Business Policy Unit within the Development, Enterprise and Environment Directorate will be responsible for managing this project.

5. Legal comments

5.1 The foregoing sections of this report indicate that:

5.1.1 the decisions requested of the 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 economic development, 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.

6. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract [for externally delivered projects]	w/c 5 th May
Delivery Start Date [for project proposals]	w/c 12 th May
First draft expected	w/c 4 th August
Second draft	6 th Oct
Final draft cleared	December
Publication / launch	Tbc

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: Disclosure prior to award of a services contract may have the effect of distorting competition in the market and the divulging of commercially sensitive information.

Until 31 May 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: Catherine Glossop has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service: Mark Kleinman has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date