

**REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD143**

**Title: Subscription for macroeconomic data supplier**

**Executive Summary:**

In order to continue to monitor London's economy effectively to inform the GLA Group on economic trends in the capital, the wider UK and the global economy, GLA Economics needs to ensure that it has access to timely data from a very wide range of sources. In order to meet these needs GLA Economics needs to contract a macroeconomic data supplier.

The macroeconomic data package to be provided by this supplier will be used on a regular basis by GLA Economics for the following purposes amongst other reasons:

1. the analysis of London's labour market performance – including labour market monthly updates, monitoring London's employment and unemployment;
2. the economic forecast publication, 'London's Economic Outlook', and for the editorial section of the monthly, 'London's Economy Today';
3. briefings to the Mayor and to the GLA more generally as well as to stakeholders beyond the GLA Group;
4. a wide variety of sector specific studies.

**Decision:**

The Director approves the expenditure of up to £30,000 from the Intelligence Unit budget for the procurement of four 12 month licenses for macroeconomic data following a competitive tender.

**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 of Intelligence

**Signature:**

**Date:**

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

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

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

In order to continue to monitor London's economy effectively to inform the GLA Group on economic trends in the capital, the wider UK and the global economy, GLA Economics needs to ensure that it has access to timely data from a very wide range of sources. In order to meet these needs GLA Economics needs to contract a macroeconomic data supplier.

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4. a wide variety of sector specific studies.

In addition, there may be less regular, unplanned circumstances – such as responding to ad hoc enquiries from Mayoral advisors – under which GLA Economics requires access. World Bank and IMF data from our current supplier has also been utilised extensively in projects relating to data comparison between London and other global city-regions and also to trade flows and London's competitive specialisms.

GLA Economics has some very specific quality requirements here. The macroeconomic data supplier needs to have a powerful charting and reporting package which can tap into a mass of databases of primary-sourced data. These time series should usually be updated within hours of publication and, in many cases, almost immediately. In order to be of use to GLAE the macroeconomics package should contain data series from a wide selection of reputable data sources. The following sources give an indication of some of the type of data sources to which GLA Economics often requires access:

- Bank of England
- Bundesbank
- Bureau of Economic Analysis
- Bureau of Labor Statistics
- Directorate General for Economic and Financial Affairs
- The Economist Poll of Forecasters
- IMF Direction of Trade Statistics
- IMF International Financial Statistics
- IMF World Economic Outlook
- INSEE (national statistical institute of France)
- OECD Annual National Accounts
- OECD Economic Outlook
- OECD Main Economic Indicators
- OECD Quarterly National Accounts
- Office for National Statistics (ONS)
- Tankan Survey
- World Bank Global Development Finance

- World Bank World Development Index

Other desirable attributes of the service include:

- A commitment to expanding the database
- The ability to add datasets on request from GLA Economics. A particular focus here is likely to be the continuous expansion of London-specific datasets generated by the ONS.
- Comprehensive and responsive user support
- Powerful charting tools
- Ease of export of required data
- An easy to use search engine for the databases
- Regular and timely updates to the databases
- Ability to easily update (in a number of different software packages) previously generated graphics when new data becomes available

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

To tender for and then purchase access to a comprehensive macroeconomic data provider.

## **3. Other considerations**

### *a) key risks and issues*

If subscription to a macroeconomic data provider were to cease the impacts would be two fold.

Firstly, a considerable proportion of work, including significant parts of 'London's Economic Outlook' (the GLA's six monthly economic forecast publication) would become impossible or require major and quality-compromising changes to existing methodologies and major adaptations to its presentation, further impacting the quality of the work. Similarly, 'London's Economy Today' would also have to change significantly and would be unable to include timely information on, for example, bond spreads.

Secondly, a number of outputs, such as the monthly labour market update would become considerably more time consuming to produce. This would not only lower productivity but would also reduce the timeliness of publication. Currently, when the ONS releases labour market data at 9.30am, the London data is released with some commentary inside half an hour. This sort of time target would be far harder to meet without access to a comprehensive macroeconomic data provider, and probably would be impractical.

### *b) links to Mayoral strategies and priorities*

Economic monitoring provides the evidence base for the Mayor's role in promoting economic and social improvement in the capital, one of the Mayor's primary responsibilities, and realising the Mayor's vision.

Further, London's Economic Outlook is a fundamental requirement for GLA Group planning. The data is also required for additional work completed by GLA Economics for analysis of London's labour market, briefing the mayor etc.

### *c) impact assessments and consultations.*

GLA Economics has performed an early scoping exercise to ascertain the number of likely data providers. This scoping was done via desk based research and direct contact of possible suppliers. From this scoping exercise, GLA Economics is currently aware of only two data providers, possibly three, that provide the requisite level of data to meet the outlined needs, this may limit the viable responses to this tender process.

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

- 4.1 Approval is being sought to commence the tendering process for a macroeconomic data provider subscription and the subsequent purchase of four 12 month licenses of the data from the chosen provider. The subscriptions will commence at the end of April / beginning May 2014.
- 4.2 The exact cost of the four subscriptions are not yet known and is dependent on the outcome of the tendering exercise. However, based upon the current subscription, total costs are not expected to exceed £30,000 and will be funded from the 2014-15 GLA Economics budget held within the Intelligence Unit subject to the 2014-15 budget process currently underway.
- 4.3 Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.
- 4.4 The Intelligence Unit will be responsible for managing the subscriptions and ensuring that all the expenditure adheres to the Authority's Financial Regulations, and Contracts & Funding Code.

#### **5. Legal comments**

##### Power to Undertake the Requested Decision

- 5.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act') the GLA, after appropriate consultation, is entitled to do anything that will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment.
- 5.2 Furthermore, section 34 of the Act allows the GLA, to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In this case, the approval of budget and the procurement of subscriptions from a macroeconomic data supplier may be viewed as calculated to facilitate all of the GLA's functions. As set out in paragraph one above, the relevant economic data will provide the GLA with an analysis of London's labour market performance, its economic forecast and sector specific studies.

#### **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:

This decision form seeks approval to commence a procurement and sets out the expected value of the services to be procured. If this information were published prior to the commencement of the tender, it might affect the pricing of the responses to tender in such a way as to impede the GLA's ability to achieve value for money.

Until what date: (a date is required if deferring) 1<sup>st</sup> 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:**

Gordon Douglass has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service:**

Andrew Collinge 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.

✓

**HEAD OF GOVERNANCE AND RESILIENCE:**

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

**Signature:**

**Date:**