

# GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2921

**Title:** Challenge LDN

**Executive summary:**

This decision is in support of the GLA's commitment to continue delivery of City Hall's open innovation service, Challenge LDN, to embed design-thinking, boost local capability and leverage innovation to help London's public and third sectors grapple with complex city challenges.

Open innovation is an integral part of delivering a mission-based approach, which has been adopted by the London Recovery programme. The approach enables better designed policy interventions through supporting cross-sectoral collaboration and codesign with affected communities, leveraging wider support compared to traditional public sector programmes, and resulting in innovation that is more likely to be adopted and scaled.

Having in-house open innovation expertise enables resource to be pooled, boosts capacity across London's public and third sectors, and leverages economies of scale.

**Decision:**

The Mayor approves expenditure of up to £510,000 to continue delivery of Challenge LDN, London's open innovation service.

**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:**

15/2/22

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

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

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

- 1.1. The GLA manages Challenge LDN, an open innovation programme (MD2286 established the initial pilot), which brings innovators together with London's public, private and third sectors to co-design solutions to the city's complex challenges. Over 20 challenges have been delivered to date, across priorities such as climate change, community resilience, crime, planning, affordable housing and regeneration. This has leveraged £2m to support delivery, including over 1,000 hours of expert support through working with partners such as the Design Council, Social Tech Trust, Microsoft, National Grid, the NHS and London's universities. Further details can be found in the case studies below and here: <https://www.london.gov.uk/what-we-do/funding/challenge-ldn>
- 1.2. To date the programme has:
  - shaped the direction of innovation to better meet the needs of the city and Londoners
  - leveraged expertise and resources from a diverse range of sectors – from global corporates and philanthropy to higher education institutions and community organisations
  - supported new forms of collaboration across sectors and systems, including between community groups, boroughs, innovators and private-sector partners
  - enabled the innovation process to be more inclusive, bringing communities directly into the innovation process, ensuring collaborators are diverse and representative of relevant lived experiences.
- 1.3. The GLA's ambition is to scale up the approach to drive innovation across London's public and third sector to help make our city fairer, cleaner, healthier and easier to get around. Having this in-house expertise enables:
  - resources and expertise to be pooled across boroughs and third-sector partners, leveraging economies of scale, supporting risk taking and enabling successful innovation to scale – for example, through aggregating demand across multiple boroughs and addressing coordination failure
  - capacity to be boosted across London's public and third sectors – supporting boroughs and communities to embark on a deeper dive into the challenges they face, providing a learning environment to embed best practice approaches in design-thinking, rapid prototyping and innovation beyond the current capabilities of the public sector
  - new ways of collaborating to be explored across traditionally siloed spaces (boroughs, cities, communities and sectors) – this delivery model puts the structures and incentives in place to enable effective collaboration to take place.
- 1.4. The 2022-24 programme will build on the GLA's success to date by:
  - embedding a design-led approach to grappling with city challenges, supporting learning and capacity building across the public and third sector

- pioneering a best-practice approach to inclusion, through supporting co-design and delivery with the people, communities and organisations affected by the problem from the outset
- providing more targeted support to scale innovation, through providing enhanced access to markets and investment.

## 2. Objectives and expected outcomes

2.1. Approval for expenditure of £510,000 is sought to continue delivery of Challenge LDN during 2022-24 as the GLA's innovation service for London's public and third sector. The objectives are to:

- bridge the 'risk gap' between London's public sector and innovators – supporting experimentation, prototyping and an iterative process of development, using a human-centred design approach
- deliver high-quality, impactful solutions that meet the real needs of London and Londoners
- promote jobs and growth through scaling successful innovation, establishing London as a global testbed for solutions to city challenges
- link together London's innovation ecosystem to provide access to knowledge, skills and opportunities for larger scale change.

2.2. The 2022-24 programme will focus attention and resources on three pressing challenges facing the city: tackling the climate emergency, helping the city to provide the underpinning infrastructure to support inclusive growth, and addressing inequality. This will be delivered in five stages:

- a discovery phase to map London's landscape of innovators, including a high-profile campaign to source partners and collaborators
- a series of open calls to invite innovators to bring forward their best ideas and collaborate with the city and Londoners
- a match-making and co-design process to create cross-sectoral, diverse innovation teams to co-create solutions
- a delivery phase for innovators to engage in rapid prototyping, testing and iteration of their solutions
- a growth phase where successful innovation is supported to scale through access to markets, wider strategic partners and investors.



2.3. The programme will be project managed by officers in the GLA's Innovation team. An advisory panel of external experts will be created to provide support on a pro bono basis.

2.4. The programme will benefit:

- London's innovation community through a better understanding of the city's needs, access to expert support, funding and testbeds to develop and implement their ideas
- London's public and third sectors through adopting a design-led approach to local challenges, with the learnings diffused more widely across the system
- Londoners, through their active involvement in co-design, providing access to new skills and enabling innovations to better meet need.

2.5. The 2022-2024 Challenge LDN programme will deliver the following outputs:

Measurement	Target
Number of innovators receiving grants	At least 12
Number of female, deaf and disabled or Black, Asian and minority ethnic-led innovators supported	At least 50% of innovators
Number of complex challenges co-designed with Londoners and partners	At least three
Expert business support, coaching, mentorship and access to market support	At least 100 hours of support
Investors, wider strategic and market partners engaged in emergent solutions	At least 100
Number of cross-sectoral, multi-disciplinary teams supported to pilot their ideas	At least three cross-sectoral and multidisciplinary innovation teams formed and supported
Number of prototypes co-developed and tested	At least 12 prototypes tested over at least a three-month period across multiple London locations
Number of boroughs engaged in challenges to co-design, test and adopt solutions	At least 10 boroughs
Match funding leveraged	At least 20 per cent and up to 50 per cent (revenue or in kind)

2.6. The longer-term outcomes of the programme will include:

- at least 12 innovations that will drive a fairer and more inclusive recovery – through the programme's work in shaping the direction of innovation, providing access to funding and expert co-design support, leading to improved public services, with increased participation of Londoners
- investment in innovation, establishing London as a global testbed for solutions to city challenges, directly engaging at least 100 investors and market partners, working with London & Partners
- Employment growth through the programme's promotion of London innovation and practical support to scale successful ideas.



- 2.7. An evaluation is currently being conducted to capture the above longer-term outcomes and assess the programme's value for money. Findings so far have been positive and show that the cross sectoral collaboration brought about through the programme boosts capability across London's public and third sectors and may help achieve more with less, including the delivery of more responsive public services (the case studies below illustrate examples). The results of the evaluation will inform the development of this next iteration of the programme.

#### **2018 Case Study: Open Innovation challenge – tackling climate change and reducing air pollution**

In 2018 the Mayor of London launched an open call for innovation to support the roll out of electric vehicles to help tackle climate change and reduce air pollution. **Affordable and equal access to public charging is a critical step towards a fair switch to clean transport and key to meeting our ambition of being a zero carbon city by 2030.** However, the uptake of electric vehicles has exposed inequalities, with those living in the city centre, flats and council estates significantly less likely to have access to a private driveway, making it difficult to install home charging solutions. **Connected Kerb was the winner of the 2018 innovation challenge, offering a first-of-its-kind project that demonstrated how affordable and accessible public charging infrastructure can be deployed to drive greater adoption amongst under-represented communities.**

**Connected Kerb's universal power charging and data port console provided access to charging for those without off-street parking. The infrastructure is located below ground and installed once, with passive chargers that can be easily 'switched on' by adding the above ground charge point to match consumer demand. Through their participation in the innovation programme, Connected Kerb were supported with access to grant funding to develop and test their idea, and worked with National Grid and London boroughs to trial the innovation across Southwark. The model is now acting as a blueprint that can be adopted at scale across other boroughs. Since their involvement in the innovation challenge, Connected Kerb have successfully scaled to 60 staff members and have a projected turnover of £25 million for 2023.**

#### **2018 Case Study: Open Innovation challenge – getting Londoners walking**

In 2018 the Mayor of London launched an open call for innovation to help get more people to travel by foot or cycle in the city. The winner, Go Jauntly, presented an idea for a discovery and way-finding app for walking. Go Jauntly subsequently worked with the GLA family to develop the solution, working with the team at TfL – gaining a deeper understanding of the pressures of public transport and where a shift to walking could significantly improve outcomes.

The GLA helped the innovators to engage with 1,437 Londoners, run pilot studies and work with user research specialists to test and further refine their solution. Through offering innovators an agile way of working with the city to pilot emerging ideas in a live environment the programme enabled an evidence-based approach to solutions that ultimately better met need.

Since participating in the innovation challenge, use of the app grew by 1350%, helping to meet TfL's target for 80% of all journeys in London to be made on foot, by cycle or public transport by 2041. Go Jauntly has won further awards and grants, including from Innovate UK to develop an augmented reality feature, paid partnerships with other cities, and Apple's coveted "App of the Day" award.

2.8. In order to deliver the above benefits, the following expenditure is proposed:

Cost name	Costs and assumptions
Grant funding to projects	Up to £240,000 for the prototyping and piloting of ideas, comprised of grants of up to £40,000 for each innovation team to co-design solutions across three challenge areas
Specialist support, marketing, outreach and web development	Up to £76,000 including: <ul style="list-style-type: none"> <li>expert support to run design sprints, provide wider delivery support and facilitation (competitively procured)</li> <li>day rate to compensate end-users or members of civic society for co-design and wider engagement</li> <li>paid media campaigns to support promotion and broaden outreach.</li> </ul>
Innovation showcase event series to support scaling up	Up to £70,000 including: <ul style="list-style-type: none"> <li>scaling social innovation network events</li> <li>scaling innovation capacity-building workshops offering practical support in intellectual property management, pitching, procurement processes, engaging early adopters and demonstrating system wide impact</li> <li>marketplace events connecting innovators with investors, buyers and adopters.</li> </ul>
Staff support	Up to £124,000 for staff to deliver the programme, which will extend contracts for existing staff who have the skills and experience in delivering challenges. This is a more cost-efficient alternative to recruitment or procuring outside expertise.
<b>Total:</b>	<b>£510,000</b>

### 3. Equality comments

- 3.1. Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; and to advance equality of opportunity, and foster good relations, between people who have a protected characteristic and those who do not.
- 3.2. Evidence has shown that Black, Asian and minority ethnic Londoners have been disproportionately impacted by the current crisis, in terms of both the health impact and often facing barriers to accessing support available from the government. Additionally, the economic impact on Black, Asian and minority ethnic Londoners is expected to be higher.<sup>1</sup>
- 3.3. The priorities to enable London's recovery as outlined in the London Recovery Programme and the Economic Recovery Framework<sup>2</sup> aim to address issues that disproportionately impact Black, Asian and minority ethnic Londoners and will be the focus of the innovation projects.
- 3.4. Challenge LDN will ensure that the opportunity to participate in the programme reaches diverse innovators, including those who do not typically participate in this type of activity. The programme will use marketing and communication campaigns that reflect the diversity of

<sup>1</sup> Public Health England, [Beyond the data: Understanding the impact of COVID-19 on BAME groups](#), June 2020

<sup>2</sup> GLA, [London Recovery Programme](#) and the [London Economic Recovery Framework](#)

London, including through outreach to peer-to-peer networks, and through London's Business Improvement Districts, through local authority and third sector networks. The expert panel will also be representative of diverse viewpoints.

- 3.5. Challenge LDN will work with delivery partners to reach diverse community groups and access harder-to-reach communities, including those with lived experience of the challenges being addressed. This will enable both the innovation process to be inclusive and the end product to better meet diverse needs.

#### 4. Other considerations

##### 4.1. Key risks and issues:

Risk description	Probability (low, medium, high)	Impact (low, medium, high)	Mitigation
Delays to programme delivery timescales due to new or extended Covid-19	Medium	Low	Most of the programme can be delivered virtually. Delivery partners have significant experience of delivery during periods when social distancing measures have been in place. Tools such as Zoom and Miro Boards are used to facilitate virtual collaboration sessions, with upfront homework and training provided, and the number of facilitators increased to make sure insight is captured.
Insufficient engagement from cross-sectoral partners	Medium	Medium	This risk will be mitigated by a robust engagement plan, utilising the GLA's and wider partner networks across the public, third sector and small business community. During the discovery phase we will create a value exchange, to understand different stakeholder motivations for taking part, and create a collective shared vision for participation. We will work directly with community groups and stakeholders impacted by the intervention to ensure the innovations meet need, utilising engagement methods that are inclusive (for example to suit different time-of-day availability).
There is no follow-on support for projects	Medium	Medium	The GLA is currently undertaking an evaluation of its open innovation programmes, which will include recommendations for creating an infrastructure that binds the ecosystem together and allows it to continue. These recommendations will feed directly into the

			<p>development and delivery of this programme.</p> <p>Throughout the programme, we will actively promote collaboration between innovation teams to increase the likelihood of continued working together beyond the funded period of the project. The programme will also design-in practical support to help the successful innovations scale, including access to further test bed sites and markets (domestic and global).</p>
Limited engagement across the third sector	High	High	<p>The sector's capacity constraints and fragmentation present an opportunity for the GLA to embed best-practice approaches and provide a framework to enable focused cross-sector collaboration. We will build in ample time to embed best practice approaches, with longer co-design and research and development timescales, and the option of more intensive one-to-one support where required, including embedding proposal drafting support at the application stage to ensure voluntary and community organisations can bid. Close working will be required internally with the communities and social policy teams during programme design and delivery.</p>
A lack of general awareness of the challenge programme	High	High	<p>A robust communications and marketing plan will be put in place to ensure the challenge receives a strong response from a diverse pool of London based innovators. A budget will be set aside for a paid marketing campaign to boost outreach using digital tools such as targeted advertising and a social media campaign. We will work closely with the Community Engagement team at the GLA and borough network leads for the voluntary and community sectors to identify community centres, groups and individuals who have access to networks to raise awareness of Challenge LDN. We will tailor inclusive language, personas and case studies to demonstrate the value and benefits of innovations from diverse Londoners.</p>

#### 4.2. Links to Mayoral strategies and priorities:

- **Economic Development Strategy:** the programme meets the Mayor's Economic Development Strategy objectives to stimulate innovation in response to London's challenges, to support the



adoption of innovation across the economy and society, and to enable the benefits of innovation to be more widely shared.

- The London Recovery Programme/Economic Recovery Framework (ERF) for London: the London Recovery Programme has identified a grand challenge to restore confidence in the city, minimise the impact on communities, and build back better the city's economy and society. The London Recovery Board has agreed nine missions to help meet that grand challenge. The programme will work with boroughs, affected communities and wider stakeholders to identify challenge statements aligned to the priorities set out by the Board and in the broader Economic Recovery Framework.
- Smarter London Roadmap: the Smarter London Roadmap has identified six priorities for the second Mayoral term, based on the Recovery programme and Mayor's 2021 Manifesto. One of the six priorities is Grand Open Calls. Expertise in open calls enables challenges to be set by City Hall to the tech sector and anchor institutions; this allows for design-thinking, rapid prototyping and innovation in delivery beyond the current capabilities of the public sector.

4.3. There are no conflicts of interest to note from any of the officers involved in the drafting or clearance of this decision form.

## 5. Financial comments

5.1. Approval is sought for expenditure of up to £510,000 to continue delivery of Challenge LDN during 2022-24. An estimated project budget, including the proposed funding sources for the programme, is summarised below.

	2022-23	2023-24	Total
<b>Challenge LDN programme</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Grant funding	140	100	240
Specialist support	64	12	76
Innovation showcase events	0	70	70
Staff support	0	124	124
<b>Total programme costs</b>	<b>204</b>	<b>306</b>	<b>510</b>
<b>Funding</b>			
Challenge LDN (LEAP funding)	150	100	250
GLA's Technology and Innovation Programme budget	54	206	260
<b>Total funding</b>	<b>204</b>	<b>306</b>	<b>510</b>

5.2. The funding for this programme will be sourced from the Economic Development Unit Technology & Innovation Programme budget for 2022-23 and 2023-24 (£260,000); and LEAP funding allocated for the Challenge LDN programme (£250,000). LEAP funding has been sourced by swapping Growing Places Fund loan returns that are capital in nature with revenue resources available to the GLA, endorsed by the LEAP Board on 9 December 2021. The GLA programme budget, and the LEAP funding, have been included in the GLA's indicative budget plans for 2022-23 and 2023-24, and will be subject to approval of the GLA's budget for 2022-23 and 2023-24 respectively. In addition, the appropriate break clauses will be included in all contracts / grant agreements associated with the programme to facilitate the early termination of the agreement(s) should the GLA's funding not be available in futures years and to create flexibility

in withholding funding where project outputs are deemed to be unsatisfactory (at the discretion of the GLA).

5.3. The GLA will seek match funding, including in-kind support from strategic partners, to support the programmes. However, the match funding will be administered directly by the GLA's project partners and will not go through the GLA's accounts.

## 6. Legal comments

6.1. The foregoing sections of this report indicate that:

- the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or that are facilitative of, conducive or incidental to the promotion of economic development and wealth creation in Greater London
- in formulating the proposals in respect of which a decision is sought, officers have complied with the Authority'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
  - consult with appropriate bodies.

6.2. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty – namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; and to advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion) and persons who do not (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

6.3. If the Mayor is minded to make the decisions sought, officers must ensure that, to the extent that expenditure concerns the:

- award of grant funding, that it is distributed fairly, transparently, in manner which affords value for money, and in accordance with the requirements of the GLA's Contracts and Funding Code; and that grant funding agreements are put in place between and executed by the GLA and recipients before any commitment to fund is made
- payment for services, those services are procured in liaison with TfL Procurement and in accordance with the GLA's Contracts and Funding Code; and that contracts are put in place between and executed by the GLA and contractors before commencement of such services
- payment for staffing resourcing at the GLA, if such staffing is to be covered by establishing any new roles, they comply fully with the GLA's "establishment control" procedures.

## 7. Planned delivery approach and next steps

Activity	Timeline
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Launch of discovery phase	January 2022
Launch open call to London's local authorities, the GLA family and the third sector across at least three strategic priorities	March 2022
Confirm challenge partners and challenge briefs	April 2022
Launch challenge open call to innovators	May/June 2022
Assessment and selection of Innovators	July 2022
Grant funding awarded phase 1	September 2022
Grant funding awarded phase 2	April 2023
Scale up network launch and events	September 2023
Challenge close and evaluation	May 2024

**Appendices and supporting papers:**

None.

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

**Part 1 – Deferral**

Is the publication of Part 1 of this approval to be deferred? **NO**

**Part 2 – Sensitive information**

Only the facts or advice that would be exempt from disclosure under the FoIA should be included 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:**

Sandy Tung has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

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

✓

**Mayoral Adviser:**

Rajesh Agrawal and Theo Blackwell have been consulted about the proposal and agree the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 24 January 2022

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

*D. Gove*

7 February 2022

**CHIEF OF STAFF:**

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



Signature

D. Kelly

Date

7 February 2022

