

**Report of: Smart Cities Team**

**Report to: Director of Resources and Housing**

**Date: 9<sup>th</sup> July 2019**

**Subject: Payment of funds to successful applicants of the GovTech Catalyst**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of main issues

The council is looking at new and innovative solutions to help it maintain its council housing stock, provide improved services and reduce costs.

Throughout 2018, the UK Government ran a £20m GovTech Catalyst programme which enabled public sector organisations to set challenges that could be addressed by through using new and emerging technology.

In September 2018 the council along with City of York Council submitted a successful application which set the challenge: “How might we use technology to proactively identify where the council’s housing stock is falling into disrepair and where this might impact on a tenant’s health?”

The project is split into 2 phases. In phase 1, five successful companies will receive £50,000 to carry out research and development work over 3 months. Phase two will see up to two of those five being awarded £500,000 each to design and deploy the technology.

## Recommendations

The Director of Resources & Housing is requested to:

- 1 Authorise the required expenditure with successful companies to enable the project to commence with the phase 1 research and development stage.
- 2 Subject to a successful phase 1, authorise the required expenditure with successful companies to enable the project to progress to phase 2.

- 3 Note that subject to a successful phase 1 and phase 2 where the council can identify savings and/or improved service delivery it will commence to procure the solution.

## **4 Purpose of this report**

- 4.1 The purpose of this report is to seek approval to spend £250,000 (phase 1) to pay five successful applicants and up to £1m (phase 2) to pay up to two successful applicants.
- 4.2 The report will outline how the GovTech Catalyst is structured and any council obligations.

## **5 Background information**

- 5.1 In January 2018 the UK Government launched a £20m GovTech Catalyst programme which encouraged public sector organisations to submit challenges which could potentially be addressed through a technological solution.
- 5.2 The programme was split into 3 rounds with five successful applicants in each round. Leeds City Council submitted a challenge in round three and was informed that it was successful in January 2019. The programme is overseen by Government Digital Service (GDS) which is part of Cabinet Office, whilst the applications process is managed by Innovate UK.
- 5.3 The council's challenge was publicised on 1<sup>st</sup> April 2019 when companies were invited to submit their applications to be solution providers via Innovate UK. All dates in phase 1 of the project can be found in Appendix 1.
- 5.4 Innovate UK will assess applications and suggest who the five successful applicants should be – the council has the right to challenge this decision. Contracts will be drawn up between Leeds City Council and each of the successful applicants and GDS will transfer £250,000 to the council to enable it to pay them £50,000 each.
- 5.5 Following the completion of phase 1 in November 2019, a review will be conducted by the council to ascertain if it has found the research and development phase useful and if it wishes to progress to phase 2. If it does, there will be a ring-fenced competition with the five suppliers who can apply for £500,000 each to build, deploy and test their solutions in a real environment. A maximum of two suppliers will be successful in phase 2 when GDS will transfer funds to the council to enable it to pay the supplier(s). Phase 2 will run for 12 months in 2020 (dates still to be confirmed).
- 5.6 In both phases, funding will be paid at various intervals, for example a tranche at the beginning of the phase, part way through, and on successful completion of the project. There is no direct cost to the council other than in staff time to administer.

## **6 Main issues**

- 6.1 Leeds City Council is committed to providing housing of the right quality, type, tenure and affordability and understand that good quality housing has associated health and wellbeing benefits. Through cyclical maintenance, preventative maintenance and investment programmes the council seeks to ensure that its housing stock meets the needs of tenants. It can however be difficult to identify when lifestyle or environmental issues begin to manifest within properties which may have a detrimental effect on a tenant's health and wellbeing.

- 6.2 It is recognised that opportunities may exist with the development of new technologies to enable us to more effectively monitor the environmental conditions within our housing stock and better help those citizens that need the most assistance. Housing Services and Adult Social Care often take reactive measures rather than proactive ones to manage their respective services which can lead to disruption for the customer and costly repairs and care services for the council.
- 6.3 Improved collection, reuse and analysis of data can help us change and improve the day-to-day work of those who work in our communities. For example, deploying tradespeople to fix a repair or social workers to assist an elderly resident. Furthermore, improved intelligence would help inform the impact of poor housing and how this plays out in terms of admissions to hospital and associated costs involved with this care.
- 6.4 Monitoring key metrics around damp and mould and generating alerts based on predetermined levels can help predict when intervention is required, enabling them to address any immediate solutions needed and develop a preventative strategy with the tenant, especially where tenant behaviours are contributing to the issues.
- 6.5 Machine learning and artificial intelligence will increasingly be fundamental to enable us to improve our understanding of real-world events which in turn will bring about data-led decision making. Data is not currently collected and analysed to identify patterns which could lead to proactive interventions while maintaining the privacy of the service user.

## **7 Corporate Considerations**

### **7.6 Consultation and Engagement**

- 7.6.1 The Deputy Leader of the Council, Executive Member for Health, Wellbeing and Adults and the Director of Resources and Housing were briefed on the project in January 2019.

### **7.7 Equality and Diversity / Cohesion and Integration**

- 7.7.1 The decision to proceed with the award of the does not have any equality and diversity impacts.

### **7.8 Council policies and the Best Council Plan**

- 7.8.1 Leeds is an innovative and forward thinking city which is keen to look at how technology and innovation can assist with delivering council services. The recommendations in this report support the Best Council plan with a focus in particular on Housing, Health & wellbeing and Age Friendly Leeds.
- 7.8.2 The project all supports the council's Inclusive Growth strategy with a focus on promoting Leeds as a Digital City through working with companies to co-design and co-produce innovative solutions to city challenges.

### **7.9 Resources and value for money**

- 7.9.1 The project is split into two phases. In phase 1, Innovate UK will independently assess applications from companies who wish to work with Leeds City Council to co-design solutions. Five successful companies will each company be awarded

£50,000 to complete research and development of a solution over a 3 month period from August to November 2019.

- 7.9.2 £250,000 will be awarded to Leeds City Council by GDS (Cabinet Office) to enable to council to pay each of the five successful companies in instalments throughout phase 1.
- 7.9.3 Following the successful completion of phase 1, the council may wish to extend the project to phase 2. If this is the case, the council will manage a second round competition which will be limited to the initial five successful companies. Up to two will be selected to work with the council for a further 12 months to co-produce and test solutions in a real environment, e.g. in a tenant's home.
- 7.9.4 £500,000 will be awarded to Leeds City Council by GDS for each successful company (maximum £1m) to enable to council to the successful companies in instalments throughout phase 2.
- 7.9.5 Following the completion of phase 2, if it is deemed that any of the resulting solutions are worthy of procuring to roll out across the district, the council's normal procurement process and rules would apply.
- 7.9.6 Other than resource and staff time, there are no direct costs incurred by the council.

## **7.10 Legal Implications, Access to Information and Call In**

- 7.10.1 This report does not contain any exempt or confidential information.
- 7.10.2 This decision is a Key Decision and therefore subject to call in.

## **7.11 Risk Management**

- 7.11.1 There are no financial risks associated with this project as it is externally financed. Payment will be made to successful companies in tranches and will be based on results.
- 7.11.2 GDS are keen to promote a fail-fast approach and state that if it's acceptable if the council and/or the successful companies choose not to extend the project to phase 2.
- 7.11.3 The council is keen to look at how technology can assist with managing its housing stock as there are already considerable costs associated with repair and legal claims. The project at limited cost to the council aims to address these issues.

## **8 Conclusions**

- 8.1 The council is keen to promote itself as a 'Digital City' and look at how new technology can help it deliver new and improved services and/or reduce costs of running those services.
- 8.2 This project enables the council to do some initial exploratory work with a number of technology companies at minimal cost.
- 8.3 The challenge set by Leeds in particular is being championed by GDS and promoted at their UK roadshows. Success here, could be replicated by local authorities, housing associations and private landlords across the country.

8.4 Commencement of the project is subject to approval to pay the successful companies.

## **9 Recommendations**

9.1 The Director of Resources & Housing is requested to:

1. Authorise the required expenditure with successful companies to enable the project to commence with the phase 1 research and development stage.
2. Subject to a successful phase 1, authorise the required expenditure with successful companies to enable the project to progress to phase 2.
3. Note that subject to a successful phase 1 and phase 2 where the council can identify savings and/or improved service delivery it will commence to procure the solution.

## **10 Background documents<sup>1</sup>**

10.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

## APPENDIX 1

<b>Stage</b>	<b>Date</b>
Competition opens	01/04/2019
Supplier briefing (Co>Space North)	11/04/2019
Registration closes	08/05/2019
Competition closes	15/05/2019
Assessors (Innovate UK) briefing with LCC	20/05/2019
Assessors feedback – Top 5 suppliers	06/06/2019
Contracts signed	02/08/2019
Suppliers commence work for 3 month phase 1	12/08/2019