

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Strategic Director for Major Projects</b>
<b>Date of Decision:</b>	<b>22<sup>nd</sup> March 2016</b>
<b>SUBJECT:</b>	<b>BIG DATA CORRIDOR: A NEW BUSINESS ECONOMY – SUBMISSION OF ESIF BID</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 001372/2016</b>
<b>If not in the Forward Plan: (please "X" box)</b>	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
<b>Relevant Cabinet Member</b>	<b>Councillor Tahir Ali – Cabinet Member for Development, Transport and the Economy</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Victoria Quinn (Economy, Skills and Sustainability)</b>
<b>Wards affected:</b>	<b>ALL</b>

<b>1. Purpose of report:</b>
1.1 To approve the submission of a full application to the Department of Communities and Local Government (DCLG) for £1.284m of revenue and capital grant, under the current bidding rounds of the European Structural and Investment Funds (ESIF) 2014-2020 Programme.
1.2 The proposed Big Data Corridor (BDC) project at a total cost of £2.568m will support Small/Medium Enterprises (SME's) to understand the benefits of using data to design new services and products that will respond to specific challenges in East Birmingham, as a demonstrator.

<b>2. Decision(s) recommended:</b>
That Cabinet:
2.1 Approves the submission of a full application to the Department of Communities and Local Government for grant funding of £1.284m to support the Big Data Corridor project at a total cost of £2.568m.
2.2 Notes that in the event of a successful proposal, a Full Business Case Report will be submitted for Cabinet approval, which will identify governance, key responsibilities, the delivery plan and the benefits to the city before there is an acceptance of any grant and its conditions.

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### **3. Consultation**

#### **3.1 Internal**

3.1.1 In developing this bid consultation and discussions have been held with the Cabinet Member for Skills, Learning and Culture, the Assistant Director's for Transportation and Connectivity, and Employment as well as officers within the Business Development and Innovation team in order to inform them of the BDC proposal and the opportunities this presents for their own services and customers. They were all supportive and recognised the benefits to the city and in supporting enterprise and economic growth.

#### **3.2 External**

3.2.1 The Smart City Commission chaired by the Cabinet Member for Sustainability, which includes the Universities, Health, West Midlands (WM) Police and local SMEs plus national representatives (e.g. Digital Catapult, BIS, private sector organisations such as City Council partners Amey and Centro) have been informed and consulted on the BDC proposal (January 2016) and were supportive of the proposal in helping to enhance digital capabilities of businesses in use of technologies and data and stimulate SME innovation in the design of new services. It was agreed that it was in alignment with Birmingham's Smart City principles.

3.2.2 BDC was presented to the WM Digital Working Group (December 2015) and at the Smart City Alliance (January 2016). Additional focus group activities have been undertaken at Innovation Birmingham Ltd (March 2016) with a wider survey sent out to GBSLEP SME's for further feedback, which has been used to shape development of the proposal.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

4.1.1 The BDC proposal supports the Council Business Plan and Budget 2016+, specifically Outcome One "an enterprising and innovative green city." Whilst the funding is directly targeted at supporting SME's to develop their capabilities in the use of data and technologies and create new services and products, the demonstrator activities will be focused on specific challenges in the sector areas of health, mobility and sustainability to deliver to beneficiaries (citizens and communities) in East Birmingham. The intention is that any of the solutions and resultant products and services can be scaled and replicated elsewhere e.g. increase mobility; reduce congestion and air pollution; optimising energy use; support independence.

## 4.2 Financial Implications

4.2.1 The total value of this project proposal over 3 years is £2.568m comprising £0.475m capital and £2.093m revenue expenditure. 50% of this expenditure will be funded from ESIF grant (a condition of the funding), with the other 50% being funded by the City Council and its partners, which is set out in the table below:

	<b>Match Funding £000</b>	<b>ESIF Grant £000</b>	<b>Total Expenditure £000</b>
<b>Revenue Expenditure:</b>			
<b>City Council staff</b>	222.15	222.15	444.30
Aston University Photonics	325.76	325.76	651.52
Bham City University	225	225	450
Centro staff	56.29	56.29	112.58
Innovation Birmingham	60	60	120
Npower	75	75	150
Telensa Business Support	82.5	82.5	165
<b>Total Revenue Expenditure</b>	<b>1,046.7</b>	<b>1,046.7</b>	<b>2,093.5</b>
<b>Capital Expenditure:</b>			
City Council :Platform Hardware / software	225	225	450
Telensa Equipment	12.5	12.5	25
<b>Total Capital Expenditure</b>	<b>237.5</b>	<b>237.5</b>	<b>475</b>
<b>Total Big Data Corridor</b>	<b>1,284.2</b>	<b>1,284.2</b>	<b>2,568.4</b>

4.2.2 The City Council's revenue match funding of £0.222m is from existing staff over the 3 years, whilst the capital match funding of £0.225m is from existing Digital Birmingham capital reserves. Written confirmation of individual partner match-funding has been received.

4.2.3 It is proposed that the City Council will administer the project and act as Accountable Body and ensure funds are spent to deliver the outputs agreed with DCLG as outlined in Appendix 1. The City Council will be required to ensure compliance with ESIF grant conditions and will seek to mitigate these through funding consortium agreements with delivery partners in line with City Council and European funding guidelines.

4.2.4 All delivery arrangements will be subject to monitoring and performance checks and project compliance visits. There are no further on-going revenue implications as a consequence of accepting this grant funding because the data platform has a life span of the duration of the project (3 years) after which either further grant funding will be sought or it is turned off. This is a proof of concept project which will enable the GBSLEP to assess the viability of this service.

4.2.5 The project will be delivered by Digital Birmingham team and a formal project board will be set up to provide governance and monitoring of outputs.

### 4.3 Legal Implications

- 4.3.1 The City Council has the power to enter into this activity in accordance with the general power of competence conferred by Section 1 of the Localism Act 2011 (LA 2011). The proposed activity is within the boundaries and limits on the general power set out in Section 2 and 4 of LA 2011 respectively. The recommendations in this report will promote and improve the economic well-being of Birmingham's residents and businesses by helping to create new job opportunities and safeguard existing jobs in local businesses.
- 4.3.2 The data platform supplied by Birmingham City University, will act as an address book for data exchange across various providers and as such the appropriate safeguards and data sharing agreements will have to be implemented which includes password protection and consent to conditions of use. This will ensure compliance with the Data Protection Act. IP issues associated with the project will be documented in consortium agreement. As part of the ERDF requirements no delivery partner can be seen to be a beneficiary
- 4.3.3 Digital Birmingham will be required to check the eligibility of SME's taking part in the programme to ensure compliance with ERDF funding rules particularly the state aid de minimus threshold in relation to providing training and support.

### 4.4 Public Sector Equality Duty

- 4.4.1 An initial Equality Assessment (EA001110) screening has been completed on 18<sup>th</sup> January 2016. There is no adverse impact as the project is specifically aimed at all SME's within the GBSLEP area who meet the specific criteria to gain business support as identified within the ERDF Funding requirements.
- 4.4.2 This BDC demonstrator project aims to impact on economic recovery, well-being, mobility, health and sustainability with a focus on East Birmingham. The aim is to maximise opportunities for investment in areas of deprivation and broker these opportunities across a range of stakeholders as part of work already undertaken by the Smart City Commission to establish the Eastern Corridor Smart Demonstrator. The Equality Assessment will be further developed as part of the FBC should the Full Application be successful.

## **5. Relevant background/chronology of key events:**

- 5.1 In 2015, the Birmingham Smart City Commission endorsed a Smart City spatial demonstrator in East Birmingham. The aim of this is to increase the opportunities and potential of people to connect to education, training, jobs and social activities to create a better and more sustainable way of life. It supports the Commissions overarching priorities of Healthy Ageing and Economic Activity being centred on quality of place, health and mobility and provides a focus that is replicable and scalable to other areas.
- 5.2 The proposed BDC for the Eastern Corridor Demonstrator offers a user and demand led demonstrator to test and trial new applications and services using data and technologies in an integrated way and with a strong citizen engagement with the aim to make a positive difference to people's lives. It supports the GBSLEP ESIF Strategy, which highlights the use of demonstrators as the 'preferred vehicle to drive innovation with collaboration from the private sector, Higher Education Institutions and the public sector.

- 5.3 In response to the ESIF Priority 1 Research & Innovation call, BDC directly takes forward the strategy and objectives of the GBSLEP and an outline application to bid report was produced and approved on 25/09/2015 by the Assistant Director for Transportation and Connectivity. A letter dated 1<sup>st</sup> December 2015 (attached at Appendix 2) was received from Department of Local Communities confirming that the outline application met the initial assessment criteria for the fund, with an invitation to progress to full application stage with a deadline of 29<sup>th</sup> March 2016.
- 5.4 The BDC will utilise a data platform provided by Birmingham City University, which will act like an address book to access a range of public and commercial service data sets, which will enable Small/Medium Enterprises with support through this project, to create new products and services to help address challenges faced by the Greater Birmingham and Solihull Local Enterprise Partnership.
- 5.5 BDC aims to accelerate the digital capabilities of businesses to capitalise on the exponential growth of the Internet Of Things and Data Economy by developing solutions with citizens to address city in the areas of health, mobility and sustainability. This will be enabled through 3 key strands. All support for SMEs will be provided free of charge based on meeting eligibility criteria. It will;
- (i) create an innovative connected and fully supported data management platform that will give SMEs access to data to conceive of, build and test sector specific ideas in an agile and low cost way.
  - (ii) host technology and data rich demonstrator activities to enable GBSLEP SMEs to develop new services and products enabled by the new data streams and tested in East Birmingham in response to specific challenges identified through work with stakeholders and communities. Note that this project will not compile data sets, but accesses those available openly or if will purchase them if necessary through this project.
  - (iii) provide technical and business support utilising the Serendip Incubator (a space for businesses to collaborate) at Birmingham Science Park - Aston to engage SMEs, manage their involvement, support rapid prototyping and commercialisation of products and services.
- 5.6 The project provides the opportunity to create applications and products to support citizen focussed challenges using data in an innovative and interoperable way. Although it is not possible to pre-empt the types of solutions that could be created an indication of the types of applications to address specific challenges such as creating a healthy happy city, could be to use the platform to combine and access a variety of catalogued data e.g. real time air quality data, open street map data, crime data, and local chemist opening hours in order to develop a service to enable citizens to find the healthiest and safest walking routes to local chemist.
- 5.7 A second example to address congestion could be for SMEs to access Telensa's smart lighting application network, Centro transport data, personal data such as schemes that are already operating to enable individuals to share data voluntarily, as well as social media data to develop new products to incentivise behaviour change of citizens from cars to public transport to reduce congestion.

5.8 This project will require the submission by the council to DCLG of regular performance, monitoring and financial information. The project will be subject to EU commission procedural guidelines and audit. The indicative outputs for this bid submission are set out in Appendix 1, which includes supporting up to 135 SME's to access and utilise this data to build new products and services and creating 62 jobs in the GBSLEP area. Data collection templates have been developed for partner organisations to use. Performance will be closely monitored by officers within Digital Birmingham to ensure outputs are complied with.

5.9 In preparing this bid, Digital Birmingham have assembled a consortium of partners based on their knowledge and expertise in relation to new and emerging technologies that will enable this project to be successful and ensure SMEs have the best possible business and technical support. Each partner's role in delivering this project is set out in the table below:

<b>Partner</b>	<b>Role</b>
Centro	Data provider; innovation activities and challenges focused on intelligent mobility, delivery of training modules
Innovation Birmingham	Leading business engagement, events and innovation activities; provision of incubator think space Serendip
Birmingham City University	Provide and manage a data innovation platform (software) and staffing to tailor it to the project and SME needs and technical advice to SME's
Telensa	Technology infrastructure and software and technical support services, delivery of training modules
Aston University	Unique demonstrator technologies and knowledge transfer services
Birmingham City Council	Project management, procurement of data sets and interfaces where applicable, marketing and communications
Npower	Delivery of business support activities through workshops and 1:1 support covering new business models, Intellectual Property, early prototyping and investment opportunities

5.10 If successful at Full Application stage a FBC will be submitted for Cabinet approval prior to acceptance of the grant. Subject to approval, a start date of July 2016 is anticipated.

## **6. Evaluation of alternative option(s):**

6.1. Do not submit a Full Application and do not take advantage of the opportunity of £1.284m grant to up-skill SME's with latest innovative technologies and practices to support SMEs competitiveness, economic growth for the GBSLEP and creation of jobs.

**7. Reasons for Decision(s):**

- 7.1 To submit a full ESIF grant application for £1.284m in order to undertake the BDC project to support up to 135 SME's to upskill into the data economy and create 62 jobs within the GBSLEP area.
- 7.2 BDC will contribute to the strategic outcomes of the Council Business Plan to drive economic growth and create jobs as well as delivering social and environmental value
- 7.3 The delivery of services by the public sector is declining; more and more demand for services will be met through the investment of the private and third sector in developing new services and products and in citizens procuring services and taking management of how services are delivered. The collaboration in BDC between public, private and people partnership will provide the stimulus and evidence base for use of data and technologies to drive innovation in the delivery of new services to address city challenges such as poor air quality; health inequalities; congestion; obesity
- 7.4 BDC supports wider business and service transformation; it will provide the Future Council with a data platform framework upon which to evaluate future opportunities to exploit city data assets to drive economic and social benefit, create efficient business and citizen friendly services and magnify the benefits of new service delivery models e.g. shared revenue; freemium services etc. This is akin to imaging services such as Uber and Air BnB

**Signatures**

**Date**

Cllr Tahir Ali  
Cabinet Member for Development,  
Transport and the Economy

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Paul Dransfield  
Strategic Director for Major Projects

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**List of Background Documents used to compile this Report:**

Outline Bid Approval Delegation Report – Strategic Director of Economy dated 25th September 2015  
DCLG Letter giving approval to go to full application.  
Full Application (still being finalised with partners) – Outline Bid Attached

**List of Appendices accompanying this Report (if any):**

- 1. Appendix 1 - Overview of BDC Bid Proposal and outputs.
- 2. Appendix 2 - Letter of Outline Approval from DCLG

## **PROTOCOL PUBLIC SECTOR EQUALITY DUTY**

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
  - (a) whether there is adverse impact upon persons within the protected categories
  - (b) what is the nature of this adverse impact
  - (c) whether the adverse impact can be avoided and at what cost – and if not –
  - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
  - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
  - the full equality impact assessment (as an appendix)
  - the equality duty – see page 9 (as an appendix).

## Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"><li>(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;</li><li>(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;</li><li>(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li></ul>
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"><li>(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;</li><li>(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;</li><li>(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.</li></ul>
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"><li>(a) tackle prejudice, and</li><li>(b) promote understanding.</li></ul>
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"><li>(a) age</li><li>(b) disability</li><li>(c) gender reassignment</li><li>(d) pregnancy and maternity</li><li>(e) race</li><li>(f) religion or belief</li><li>(g) sex</li><li>(h) sexual orientation</li></ul>