

16 July 2018

Newcastle Smart City – [Click Here](#)

Name of Cabinet Member: **Councillor Joyce McCarty**

Director presenting report: **Tom Warburton**, Director of Place

Report Author: **Jenny Nelson**, Senior Specialist - Digital

Confidential /Not for publication:
No

Key Decision

Report summary:

Newcastle has a long history of innovation, and we recognise the huge opportunity that digital technology presents not just to Newcastle City Council but to everyone within the City – residents of all ages, businesses and visitors. This report presents to Cabinet for approval a clear ‘digital’ narrative for Newcastle (Appendix A - Newcastle – [Click Here](#)) and also sets out a means by which Newcastle Council intends to drive forward the realisation of these big ambitions with the support of an external partner.

Summary of decision being asked:

Cabinet is asked to:

- Endorse Newcastle’s ambitions as a technologically innovative and “smart” City. Set out in Appendix A, “Newcastle – [Click Here](#)” (draft) reflects both our current strengths and globally recognised assets, in addition to our ambitions for the future, not just for the Council but for the wider City.
- Endorse the ‘tech partner’ approach and allow formal consultation with the Market to commence Autumn 2018.

1. What is this report about?

- 1.1 Newcastle is a city that faces forward, embracing change. Our passion for a digital revolution is driven by all we know it can deliver –
- Technologies that make life more liveable
 - Sensors to keep a check on our City's environment
 - Better transport and more responsive local services
 - Creating an environment where the city empowers digital and tech businesses, and where businesses drive positive change in the city

Used well, new technologies can bring people and communities closer together, and can catalyse the growth of tech and digital businesses in the city, further crystallising our position as a leading tech hub. That's why we want to be leaders in this and become a truly digital 'smart' city.

- 1.2 This report presents to Cabinet for approval a clear 'digital' narrative for Newcastle (Appendix A - Newcastle – [Click Here](#)) and also a means by which Newcastle Council intends to drive forward the realisation of these big ambitions.

2. What decision are being asked for?

- 2.1 Cabinet is asked to endorse Newcastle's aspirations and ambitions as a technologically innovative and "smart" City as detailed in this report and set out in Appendix A.
- 2.2 Cabinet is asked to endorse the 'tech partner' approach and allow formal consultation with the Market to commence Autumn 2018. This will enable the Council to develop a Commissioning Model that will provide financial resource and technological expertise for the development and deployment of financially compelling business cases which utilise innovative technology to reform public service delivery.

3. Why is the proposal being put forward?

- 3.1 Growth of the tech and digital sector in Newcastle and broader area is a clear policy priority for Cabinet. Digital provides increasing opportunities in employment and skills development for people within the City and those looking to invest or relocate. By adopting a 'playground to PhD – and beyond' approach, underpinned by the opening of the NE Futures University Technical College in September, we are broadening opportunities for everyone to benefit from digital, not just those at the cutting edge of innovation. We recently celebrated the 500th learner to complete the 'online basics' programme at City Library. And while overall progress is good, with the latest Tech Nation 2018 research again confirming our "steady upward trajectory" in business growth and tech collaboration, we recognise the desire of key stakeholders within the

City to go further, faster and more dynamically.

- 3.2 Alongside this, within the City Council, we've invested in 'digital' to support transformation of services, improvement of the customer experience and delivery of challenging budget reductions. We have recently been highlighted nationally by UK Authority e-zine as demonstrating "ambitious thinking" in how we're beginning to use more innovative technology such as Automated Intelligence and Machine Learning to deliver services in a way which is at the cutting edge of Local Authority digital delivery. We recognise that there is a lot more to do, but have big ambitions for 2018/19.
- 3.3 From a Smart Cities perspective, Newcastle was named as a HuaWei Smart City 'contender' in 2017 and we're keen to improve on this. As part of the Great Exhibition of the North we're building on our history of tech and innovation as home to Cisco's Smart Street demonstrator which is showcasing the value of connecting different data to provide insight into solving city management challenges such as mobility, high quality environment and safety. We're also undertaking a number of smaller smart pilots within the Council including in public bins and housing.
- 3.4 All of the above demonstrate positive incremental improvements. But given the high quality backbone infrastructure and assets already in place (and those being sought including 5G), we recognise that there are even greater opportunities for the City and the Council which are not being exploited, and where a step change in approach can deliver bigger benefits for all. This has also been highlighted in recent research by Urban Foresight commissioned by Newcastle City Futures, who stated that Smart City activity could be worth £200million to Newcastle's economy by 2020; an economy which already supports 25,000 digital and tech jobs.
- 3.5 The procurement of a 'tech partner' will be a significant part of this step change. While formal legal structures are not fully developed at this point, we will seek a partner(s) who is able to both develop, deploy and fund deployment of smart technology in the delivery of public services. The partner would work collaboratively with internal staff to develop achievable business cases which apply world class tech innovation skills and expertise to the delivery of public services – both to improve operational efficiency and customer/community outcomes. Business cases would be subject to an agreed governance and approval process which will recognise the varying level of risk or sensitivity of different service areas. If approved, the 'tech partner' would also provide the financial capital to deploy the technology.
- 3.6 Without a clear direction of travel, supported by external technological expertise and financial backing, Newcastle risks stagnating in our digital progress, losing ground on other Cities both within the UK and internationally and therefore not maximising on opportunities for economic growth, but also the ability to use technology to deliver significant financial savings for the Council, and improve the lives of residents. This could be a defining moment for the council to take a lead. Without action we may also lose the confidence of the business community who are keen for a more disruptive approach.

4. What impact will this proposal have?

- 4.1 In relation to the agreed digital narrative, we believe that the impact will be positive reinforcement by the digital sector and stakeholders in the City and a more cohesive and joined up marketing strategy. The 'Newcastle – Click Here' draft narrative reflects both our current strengths and globally recognised assets, in addition to our ambitions for the future. The narrative will be used not only promote the City and the broader area from a marketing perspective, but will also provide a cohesive approach which unites different stakeholders across the tech and digital sector to work collaboratively for maximum return.
- 4.2 In relation to the 'tech partner' the potential impacts are wide ranging, including the innovative use of technology to supporting the vulnerable in their homes at reduced cost, to designing services in a way which reduces digital inclusion barriers, to making the City a greener, cleaner environment to live. The procurement of the 'tech partner' will draw out more clearly the use cases which offer the Council the highest return, in both social and financial terms, and which support our digital vision to improve the customer experience, reduce costs and support growth. A partner will also help us to promote the city as pioneers of new technology as well as embracing current solutions. This in turn will add value to our proposition to attract inward investment, empower entrepreneurship and drive needed talent into the city.

5. How will success be measured?

- 5.1 It is clear that there is no one single measure of success, and as set out throughout the report, we expect wide ranging positive outcomes, including; environmental improvements, economic growth, more efficient public services, education, skills and employment and supporting inclusive communities. Each business case provided by the 'tech partner' will set out the success measurements, and will be subject to review within a clear political governance framework.

6. What is the timetable for implementation?

- 6.1 Due to the innovative and complex nature of contracting a potential 'tech partner', we are currently engaging pre-procurement external legal support to the project. Building on our market engagement events in December 2017 we continue to seek pre-procurement feedback from the supplier market on the form and structure of this procurement. We anticipate a prior information notice (PIN) to be published following further legal clarification in summer 2018, and formal market engagement launched Autumn 2018. This also provides opportunity to reflect any learning from the Great Exhibition of the North Smart Street demonstrator.

7. What are the legal implications?

- 7.1 There are no direct legal implications arising out of this report. Any future procurement would be undertaken in line with relevant procedures and subject to further decision making in due course.

8. What are the resource implications?

8.1 The representative of the Director of Resources has been consulted and has no further comments to add.

9. What are the procurement implications?

9.1 The procurement of a 'tech partner' would be a significant undertaking given the potential value of the end contract. A commissioning project request form has been submitted to the Commissioning and Procurement Team who have logged it within the commissioning system and have been party throughout the commissioning phase.

9.2 The exact structure of the solution will be determined following further development with the Market during the market engagement period due to commence Autumn 2018. A further report will be presented to Cabinet seeking approval for the final Commissioning Model and the closure of the commissioning phase to allow us to move into the formal procurement exercise.

9.3 Given the complexity and the need to allow the market to present innovative solutions, the procurement route to market will most likely be via a European competitive dialogue process.

10. What are the key risks and how are they being addressed?

10.1 There is a risk that we will be unsuccessful in appointing a 'tech partner' due to the complex nature of the procurement required. We are mitigating this risk by working with external legal capacity with additional experience in this field.

10.2 There is a risk that the digital narrative is not shared by partners within the City and all North of Tyne Local Authorities. We are mitigating this by working collaboratively with the digital and tech sector and as part of the North of Tyne Devolution digital workstream.

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Appendices

- "Newcastle – Click Here" draft document

Background papers

None