

REQUEST FOR DIRECTOR DECISION – DD2699

Infrastructure Coordination Service Additional Income – SuDS/Streetworks Integration

Executive summary:

The GLA's Infrastructure Coordination Service (ICS) is seeking approval to receive and spend up to £935,500 of additional grant funding focused on enabling delivery of sustainable drainage systems (SuDS) through utility streetworks.

Increasing SuDS delivery is essential to ensure London's long-term resilience and climate adaptation by addressing flood risk; water quality; extreme heat; and biodiversity loss, and was a key recommendation of the Independent Review into the 2021 London flood events. More recently, the interim London Climate Resilience Review 2024 recommended that the Mayor of London implements a market-based approach to scale SuDS delivery, by installing them in the roadway during infrastructure providers' usual streetworks.

Initial work to explore this, led by the ICS in 2023 and funded by the Department of Science, Innovation and Technology, found that implementing a market-based approach has the potential to unlock delivery of SuDS at scale in London, whilst reducing disruption to road users. If SuDS were installed during even a modest portion of the 160,000 streetworks that occur annually, the benefits would be significant.

The funding for which this decision form seeks approval will come from the Ofwat Innovation Fund. It will be paid to the ICS via the GLA's project partner, Thames Water, under the terms of a collaboration agreement and will support activities already approved under cover of MD2735 that were contingent on receiving further income. The planned activities will be delivered with a combination of existing resource within the GLA, new fixed-term posts and consultancy support.

The Mayor, under cover of MD3080, delegated authority to the Executive Director of Good Growth to approve the acceptance and expenditure of additional income secured by the ICS through to 2028.

Decision:

That the Executive Director of Good Growth approves the GLA's acceptance and expenditure of £935,500 of additional grant funding for the Infrastructure Coordination Service expansion phase, sourced from the Ofwat Innovation Fund and paid via the GLA's project partner, Thames Water.

AUTHORISING DIRECTOR

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: Philip Graham

Position: Executive Director, Good Growth

Signature:



Date:

21/05/2024

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Increasing Sustainable Drainage Systems (SuDS) delivery is an essential component of ensuring London's long-term resilience and climate adaptation. It addresses flood risk, water quality, extreme heat and biodiversity loss. As a result, it was identified as a key recommendation in the Independent Review into the 2021 London flood events.
- 1.2. Recognising the need to scale up SuDS deployment significantly, the Interim London Climate Resilience Review 2024 recommended that the Mayor "work with public and private sector organisations to introduce a market-based system to enable the delivery of Sustainable Drainage Systems (SuDS) with funding through planned Street Works Programme".
- 1.3. This recommendation reflected work undertaken by the GLA's Infrastructure Coordination Service (ICS) in 2023, funded by the Department of Science, Innovation and Technology's Regulators Pioneer Fund¹ under DD2614. The ICS performed initial scoping and development of a market-based approach to enable infrastructure providers to reinstate their streetworks with SuDS. This would ultimately enable a scaled rollout of SuDS by reducing delivery costs and inefficiencies.
- 1.4. London sees 160,000 'major' or 'standard' permits issued for streetworks each year. The ICS's initial scoping work confirmed that there would be significant benefits if even a modest portion of these excavations installed SuDS, rather than reinstating the entire roadway with traditional asphalt. A market-based approach could identify where planned streetworks excavations sit in SuDS priority areas and match these opportunities with funding to deliver SuDS.
- 1.5. The wider benefits of a more coordinated approach to delivery of SuDS have also been confirmed on the ground. Recent pilots in Enfield and Camden (where collaborative streetworks projects delivered SuDS schemes alongside gas mains replacements) delivered significant cost savings for the councils and reduced disruption to road users compared to working in isolation.
- 1.6. The initial phase of work recommended that the ICS delivers further detailed development and real-world piloting, to move towards full implementation of the market-based approach. The ICS has been successful in securing additional external funding for this next stage of work. In partnership with Thames Water, the ICS applied for and was awarded Ofwat Innovation Funding totalling £1,340,610, of which £935,500 is allocated for GLA spend and activities.
- 1.7. During this phase of work, the ICS will also investigate and define the funding, operating and governance model for future scaled implementation of the market mechanism. Following recommendations from the initial phase of development in summer 2023, the intention is for the market to be fully independent and self-funding in the long term. The ICS will work with experts to assess suitability of different governance and self-funding models for the market based on UK and international best-practice.
- 1.8. The GLA's Environment and Energy Unit will be a key partner during this project's delivery. This work is supported by additional workstreams such as expanding SuDS opportunity mapping to all London boroughs; and piloting improvements to Thames Region Grant in Aid funding mechanisms for surface-water flooding and SuDS schemes for local authorities.
- 1.9. The ICS, which began as a pilot in 2019, has become an established programme relied upon within London's infrastructure sector. It supports the delivery of Mayoral priorities including climate adaptation and resilience; and reducing road network disruption. To reflect this, MD3080² approved receipt and expenditure of up to £10m of initial grant funding over five years, to fund ongoing

¹ [DD2614 Infrastructure Coordination Service Expansion Phase Additional Income – Regulators' Pioneer Fund](#)

² [MD3080 Infrastructure Coordination Service](#)

delivery of the ICS, covering staff costs. Unlike in previous phases, project costs are required to be funded from other sources (which may include GLA funds earmarked for specific projects).

- 1.10. MD3080 included a delegation of authority to the Executive Director of Good Growth to seek and approve the acceptance and expenditure of additional diversified funding sources secured over the period to June 2028. An initial set of external funds was approved under DD2659.³

2. Objectives and expected outcomes

Objectives

- 2.1. This additional external funding will allow the ICS to:

- pilot and test the high-level market design developed in summer 2023
- develop and test datasets, platforms and analytical tools required for market implementation
- develop in detail key market elements, through technical studies and methodologies
- define the governance model, funding model and role of any potential future market operator
- develop capability and capacity to implement the market framework, through training and workshops with boroughs and infrastructure providers.

Expected outcomes

- 2.2. At the close of the project, the ICS expects to have delivered the following:

- a tested and implementable market framework, which will enable delivery of SuDS in London at scale, whilst reducing disruption on the road network
- improved data, tools and systems to support implementation of the market framework
- organisational plans, capability and understanding needed to implement the market framework
- industry-wide awareness of the market framework, and commitment to participate in it, following engagement with key London infrastructure providers and boroughs.

- 2.3. The ICS has found significant opportunity to enable scaled delivery of SuDS in London by leveraging existing utility works, using a market-based approach. Initial analysis performed in 2023 found that around 160,000 'major' or 'standard' permits were issued for streetworks in London in one year (2022-23). Using existing SuDS opportunity mapping available for only six boroughs, the ICS identified 3,900 opportunities where SuDS could have been delivered alongside existing these utility works. Ultimately, this could have achieved 23 to 31 hectares of surface-water attenuation.

- 2.4. The ICS has identified the following benefits resulting from implementation of the market-based approach:

- benefits for society:
 - reduced flood risk benefits through SuDS delivered (sewer, surface and fluvial)
 - better value for money through improved cost efficiency of SuDS delivery, due to delivery efficiencies and increased competition – initial ICS-led pilot schemes with London's utilities

³ [DD2659 Infrastructure Coordination Service Additional Income](#)

point to cost efficiencies of up to 25 per cent for installation of SuDS through coordinated delivery

- reduced streetworks disruption to communities and road users as a result of 'dig once' approach
 - a more resilient SuDS supply chain, due to increased access to SuDS delivery opportunities at scale, created by a market-based approach
 - amenity and social value benefit to London residents due to increased urban greening through SuDS delivered
 - a reduction in the urban heat island effect due to increased urban greening
 - healthier, safer streets due to the traffic-calming effect of SuDS delivered; and improved air quality
 - benefits for the environment:
 - wider water-cycle benefits of better surface-water management resulting from SuDS delivered, including: reduced road run-off water pollution; better groundwater recharge; and reduced combined sewer overflow risk
 - increased biodiversity benefits arising from the habitat created by SuDS features
- reduced embodied carbon in delivery, due to material and plant efficiencies of the 'dig once' approach.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that the GLA and the Mayor are required to comply with the Public Sector Equality Duty (PSED) when exercising their functions, including when taking decisions.
- 3.2. The PSED requires the GLA and the Mayor, in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.3. Consideration of the PSED is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken in order to ensure that equalities impacts are kept under ongoing review.
- 3.4. The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.5. In line with the Mayor's ambitions, the ICS aims to improve all Londoners' access to essential services and housing. Reducing disruption on the road network creates benefits such as reduced noise and air pollution; these effects are particularly felt in neighbourhoods with the most vulnerable residents.

Increasingly, we are seeing that these collaborations produce a positive impact for a diverse group of beneficiaries, including residents and businesses.

- 3.6. Infrastructure and development work often reduces the accessibility of roads and the public realm; this has a negative impact on several groups with protected characteristics. The ICS aims to minimise impacts upon these groups, and to ensure their needs are considered, wherever possible, at an early stage of project planning. Reducing the duration of streetworks by working collaboratively will also help improve accessibility across London. The ICS looks to reinstate roads in a better condition than before, with healthy streets interventions that improve the quality of London's public realm. This ensures it caters to the needs of all Londoners, but particularly those with protected characteristics for whom navigating roads is otherwise a challenge.
- 3.7. Supporting increased delivery of SuDS measures can help to meaningfully address inequalities across London. SuDS' flood-mitigation benefits support increased resilience of marginalised communities and groups with protected characteristics, who are often disproportionately impacted by flooding. The urban greening provided by SuDS measures also helps to improve local places by increasing equality of access to nature and local amenity value, reducing extreme heat, and improving water quality.
- 3.8. The GLA Infrastructure team convenes the Infrastructure Advisory Panel and the Young Professionals' Panel to advise on our work. Both panels bring together a diverse range of leaders in the infrastructure sector to contribute to, challenge and inform the infrastructure team's work programme. This ensures the ICS's contributions are informed by diverse perspectives. The wider GLA Infrastructure team also delivers school outreach and reciprocal mentoring programmes aimed to improve equality, diversity and inclusion (EDI) in the infrastructure sector—making use of ICS expertise and relationships to do so.

4. Other considerations

4.1. The risks and mitigations are outlined in the table below:

Risk	Mitigation/response	Probability	Impact	Overall
Lack of response to tenders (as the work needs to be commissioned)	- We will use established consultancy procurement frameworks. - We will run market pre-procurement engagement in project setup. - We will use the knowledge/relationships with suppliers through wider ICS work.	Low	Medium	Amber
Programme delays	- We have a full-time project management resource with previous experience of project managing external funding. - We will apply robust governance in line with GLA requirements.	Low	Medium	Amber
Quality of outcomes	- We will use GLA procurement and breadth of framework options to ensure best supplier with relevant knowledge and experience. - We will establish and use a project steering group for iterative challenge of work.	Low	Medium	Amber
Disagreements with project collaborators and partners	- We will have a collaboration agreement setting out responsibilities and governance for the project with Thames Water (the project partner). - Wider project collaborators, such as other infrastructure providers and boroughs, will sign a Terms of Reference setting out	Low	Medium	Amber

	responsibilities and expectations for the project.			
Delayed recruitment for new posts	- We will use established GLA/TfL recruitment processes, resources and systems. - We will remain open to the full range of options to resource the posts, including full-time/part-time fixed-term contracts as well as secondments.	Low	Low	Green

4.2. Links to relevant Mayoral strategies and priorities are detailed in the table below:

Strategy	Links
Environment Strategy	- Increase the amount of sustainable drainage, prioritising greener systems across London in new development, and retrofit solutions. - Work with stakeholders to improve London's sewerage system so it is sustainable, resilient, and cost-effective, and makes best use of innovation. - Reduce risks and impacts of flooding in London on people and property, and improve water quality in London's rivers and waterways. - Help improve London's air quality by reducing congestion on roads and reducing vehicle movements associated with construction. - Improve the efficiency of London's energy and water distribution networks, by improving coordination and master planning between providers; and between providers, boroughs and developers. - Help to reduce ambient noise associated with construction, through improving the efficiency and speed of construction and road occupancy. - Promote circular economy approaches to construction where possible.
Transport Strategy	- Minimise disruption on roads and reduce the number of vehicle movements associated with construction. - Integrate healthy streets interventions in collaborations to improve the quality of roads for all users.
The London Plan	Increase the efficiency and resilience of infrastructure assets and developments through earlier engagement with providers; and facilitate investment ahead of demand in utilities infrastructure.
Economic Development Strategy	- Reduce the impact of congestion and construction on London businesses and residents, to ensure that London's economy continues to grow productively. - Ensure that London remains a world leader in planning and delivering new infrastructure, as well as maintaining existing infrastructure and promoting positive perceptions of the city internationally.
Interim Independent London Climate Resilience Review 2024	Recommendation for the Mayor of London: Work with public and private sector organisations to introduce a market-based system to enable the delivery of SuDS with funding through planned Street Works Programme.

4.3. No one involved in the drafting or clearance of this document has any conflicts of interest to declare.

Delivery considerations

4.4. The Ofwat Innovation Fund activities will be managed by the ICS through initial scoping, procurement, delivery, and monitoring and evaluation, to be completed before April 2026. Environment and Energy colleagues will partner with the ICS to ensure alignment between related work areas.

4.5. To resource the delivery of activities, the ICS will use a combination of existing officer time, new fixed-term posts, and external consultancy support. These are as follows:

- three new 18-month fixed-term posts will be created, to be funded by this grant: a G10 ICS post to lead delivery of the project; a G9 ICS post to work alongside consultants on deliverables; and a G8 Environment and Energy post to ensure alignment with Environment and Energy unit work programmes
- existing ICS managers will oversee the programme of work from a governance perspective
- existing ICS staff will contribute to the project as part of their current roles.

- 4.6. Recruitment for the three new fixed-term posts is expected to commence in summer 2024.
- 4.7. Consultancy support will be procured and managed over the course of activities, according to specialist skills needed to deliver different workstream activities.
- 4.8. As this project is delivered in partnership with Thames Water, the ICS (with input from TfL Legal) will sign a collaboration agreement setting out governance, decision-making, funding, risk, liabilities and delivery responsibilities between the parties. The collaboration agreement is a pre-established mechanism to govern the partnership funding and delivery of activities through the Ofwat Innovation Fund.
- 4.9. The GLA's role will be to ensure cooperation between the authorities and bodies involved in the delivery of SuDS in Greater London as well as to facilitate and/or coordinate such activities.

5. Finance comments

- 5.1. Approval is requested for the receipt and expenditure of £935,500 additional Ofwat Innovation Funding to deliver enhanced infrastructure planning and delivery in London through the activities explained above.
- 5.2. This will supplement existing income secured by the ICS under MD3080 and DD2659. Expenditure will span over financial years 2024-25 and 2025-2026. The anticipated profile for the spend can be seen in the table below.

Financial year	2024-25	2025-26	Total
Programme spend	£250,000	£285,000	£535,000
Staff spend	£155,750	£244,750	£400,500
Total	£405,750	£529,750	£935,500

- 5.3. The £935,500 funding will be paid to the GLA by Thames Water under the terms of the collaboration agreement. The funding is ringfenced and any not spent on this project will be required to be returned.
- 5.4. Note that the ICS will make a contribution of £30,000 toward the project from other external funding sources. These funding sources have already been approved for receipt and expenditure under cover of previous DDs mentioned above.
- 5.5. All relevant budget adjustments will be made.

6. Legal comments

- 6.1. Section 30 of the Greater London Authority Act 1999 (GLAA) provides that the GLA has the power to do anything which it considers will further any one or more of its principal purposes. The GLA's principal purposes are promoting economic development and wealth creation in Greater London; promoting social development in Greater London; and promoting the improvement of the

environment in Greater London. Section 34 provides that the GLA acting by the Mayor, Assembly or both jointly, may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA, including its general power under section 30. These powers are sufficiently broad to cover the proposed use of funds in this decision.

- 6.2. The GLA is restricted from incurring expenditure on doing anything which may be done by functional bodies such as TfL under section 31 of the GLAA. However, this restriction does not apply to the activities for which this approval provides. The activities for which this approval provides are limited to the GLA cooperating with such bodies, or coordinating or facilitating the activities of such bodies.
- 6.3. In taking this decision, the Executive Director of Good Growth must comply with the public sector equality duty under section 149 of the Equality Act 2010. This is addressed at section 3, above.
- 6.4. All procurements of works, services and supplies required for the project must be procured in accordance with the GLA's Contracts and Funding Code (the Code); and, where the value exceeds £150,000, in accordance with the Public Contracts Regulations 2015 (the Regulations). Furthermore, the officers must liaise with TfL's procurement and supply chain team, which will determine the detail of the procurement strategy to be adopted in accordance with the Code and the Regulations. Officers must ensure that appropriate contractual documentation is put in place, and executed by a chosen service provider/supplier and the GLA, before the commencement of the attendant works, services or supplies.
- 6.5. The decision to be taken by the GLA's Executive Director of Good Growth is in accordance with the delegation of authority for which MD3080 provides.

7. Planned delivery approach and next steps

- 7.1. The below table captures the project's expected activities and timeline:

Activity	Timeline
Initial procurement	July-September 2024
Delivery start date	September 2024
Review point assessing the quality of the outcomes	Multiple, ongoing
Consultancy contracts wrap up	March 2026
Final evaluation	March 2026
Project closure	March 2026

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 be published either 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:

Matthew Whaley has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Elliot Treharne has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

Matthew Moore from the Finance team and Mark Streeter from the Legal team have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 20 May 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

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

Signature:

Date:



21/05/2024