

REQUEST FOR DIRECTOR DECISION – DD2713

Infrastructure Coordination Service – Local Area Energy Planning 2024-25

Executive summary:

The Infrastructure Coordination Service (ICS) is seeking approval to spend £500,000, from the GLA’s 2024-25 budget, to support the second year of the GLA’s work programme on subregional Local Area Energy Planning (LAEP). LAEP is a key mechanism to plan for the decarbonisation of energy systems; and helps translate the Mayor’s 2030 net-zero target into place-based action. LAEP helps in identifying and prioritising net zero projects; informs investment decisions led by energy network operators; and acts as an evidence base for planning policy. Through its subregional approach, the GLA is working to promote coordination of energy planning across London, and drive efficiencies in approaches to planning for net zero, working collaboratively with stakeholders.

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. DD2659 approved the GLA’s acceptance and expenditure of up to £500,000 from its own revenue budget for 2023-24, to be put toward subregional LAEP, led by the ICS; and to fund two members of staff in the Environment and Energy Unit to help deliver the programme. The expenditure sought under this decision, which was included in the Mayor’s 2024-25 budget, will support the continuation of work approved under DD2659; and take the total expenditure on LAEP, to date, to £1m.

Decision:

That the Executive Director of Good Growth approves the GLA’s revenue expenditure of £500,000 in 2024-25 toward subregional Local Area Energy Planning.

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:

03/09/2024

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Local Area Energy Planning (LAEP) is a key mechanism to plan for growth and decarbonisation of energy systems from a whole-systems perspective. The methodology was developed by Energy Systems Catapult, and is increasingly being rolled out across the country as a key evidence base for bottom-up, place-based planning for net zero. In the London context, the GLA has split the methodology into two phases, working subregionally in the first phase (focused on baselining, initial modelling, data collection and stakeholder engagement) to achieve economies of scale and ensure coordinated energy planning. Under this model, boroughs are then encouraged to use the subregional work to progress to phase two of the methodology, accounting for their local priorities and differing net-zero targets as they make decisions on projects and determine next steps.
- 1.2. Following the pilot West London subregional LAEP, the Infrastructure Coordination Service (ICS), in partnership with the Energy and Environment unit, deployed this clear, strategic and coordinated approach to LAEP delivery across London under DD2659. This model is currently being implemented in the north and south London subregions (covering stages one to four of the LAEP process) and will be further extended to east London boroughs in late 2024. As part of this, the funding supported the GLA to commence work on a datahub to host data resulting from the LAEP process and work with London Councils on improved data collection methods around pipeline net zero projects across London.
- 1.3. The GLA 2024-25 budget included £500,000 of revenue expenditure to continue delivery of the LAEP programme for a second year. The ICS requests approval to spend this funding on completing the work on subregional LAEPs for north and south London, delivering a subregional LAEP in east London, and the ongoing development of a LAEP datahub. In addition, this funding will continue to cover the cost of the two members of staff in the Environment and Energy Unit for a further year.
- 1.4. MD3080¹ approved a delegation of authority to the Executive Director of Good Growth to seek and approve the acceptance and expenditure of additional diversified income secured for the ICS through to June 2028.
- 1.5. This additional funding will support the activities approved under cover of MD3080 and DD2659, with a focus on:
 - working with stakeholders to finalise the development of subregional LAEPs in north and south London, and commencing development of an east London subregional LAEP
 - finalising the first phase of a pan-London LAEP Datahub, which will host all data produced through the subregional LAEP process, and enhance the quality and accessibility of energy data available for boroughs to use across London
 - cascading subregional LAEP data outputs into network planning led by gas and electricity network operators
 - providing support to boroughs to use the subregional output evidence and data for further net-zero planning activities including borough-developed LAEPs, business-case development and local planning

¹ GLA, [MD3080 Infrastructure Coordination Service](#), 25 April 2023

progressing ongoing subregional work, including the scoping and design of additional studies recommended through the subregional LAEPs, with a likely focus on cross-borough heat networks.

2. Objectives and expected outcomes

- 2.1. The subregional LAEP programme is a key activity to deliver the Mayor's 2030 Accelerated Green Pathway, whilst responding to the individual net-zero targets of London boroughs.
- 2.2. This work is anticipated to create a strong technical evidence base for net-zero planning across London, with a focus on the whole-energy system (buildings, heat, transport and the electricity grid). Through this work, subregional priorities are being identified, and boroughs are being positioned to leverage technical analysis to further develop LAEPs at the local level, to make key decisions around projects and the mobilisation of finance and funding with the support of wider GLA programmes.
- 2.3. When year two of the subregional LAEP programme is complete, the GLA will have fully developed subregional LAEPs for 19 boroughs across north and south London; and commenced work on an east London LAEP covering five boroughs.
- 2.4. This funding will also enable completion of the first phase of a pan-London LAEP datahub. This will host all data produced through the programme, in an accessible way, for boroughs to use for a range of use cases, whilst making the data accessible for electricity network operators to use for network planning.
- 2.5. This approach is facilitating coordination in energy planning across London, by working with common data and promoting a shared understanding of interdependencies and cross-borough opportunities. This is particularly important in the context of heat networks planning.
- 2.6. Evidence produced is directly informing electricity operators' network planning – and influencing their investment decisions to ensure that sufficient electricity capacity will be available to support decarbonisation and London's growth.
- 2.7. LAEP evidence is also informing borough and London-wide planning policy making. This will result in more robust decarbonisation considerations being incorporated into land use and development decisions going forward.
- 2.8. Through its technical expertise, the GLA is also supporting borough capacity-building, by improving awareness of key decarbonisation challenges and opportunities across London, and highlighting areas of support through GLA and London Councils.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and GLA are subject to the public sector equality duty and must have due regard to the need to: eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. The "protected characteristics" are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage/civil partnership status. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or are connected to a protected characteristic; take steps to meet the different needs of such people; and encourage them to participate in public life or in any other activity where their participation is disproportionately low.

This can involve treating people with a protected characteristic more favourably than those without one.

- 3.3. In line with the Mayor's ambitions, the ICS aims to improve all Londoners' access to essential services and housing. A key focus of the LAEP work includes considering the impacts of the energy transition on diverse groups of Londoners. The GLA is engaging with Londoners directly through GLA engagement platforms, such as Talk London, to inform planning activities, capture key demographic data and understand variations in attitudes. The GLA is also using wider datasets such as socioeconomic data to consider the impacts of net zero on fuel-poor and marginalised groups.
- 3.4. The GLA Infrastructure team convenes the Infrastructure Advisory Panel and the Young Professionals' Panel to advise on its 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 in the infrastructure sector – making use of ICS expertise and relationships to do so.

4. Other considerations

4.1. Risk assessment for continued LAEP work delivery:

Risk	Mitigation/response	Probability	Impact	Overall
Stakeholder expectations are not met, resulting in reputational risk to the GLA	<ul style="list-style-type: none"> Longstanding partner involvement in designing work programme to ensure aligned expectations. Agreement of a comprehensive work programme with clear delivery targets. Dedicated Engagement and Delivery team focused on communicating projects and initiatives on an ongoing basis. Frequent updates to the Mayor's London Infrastructure Group. 	Low	High	Amber
Project milestones are not met, or are not met on time	<ul style="list-style-type: none"> Team in place with dedicated resources to ensure work is kept on track and on budget, and procurement timelines are adhered to. Given reliance on external partners for some projects, an agile project management approach will also be used to allow for flexibility and adaptability. A dedicated Engagement and Delivery team in place to ensure procurement timelines are adhered to. 	Low	Medium	Green
Aspects of the project do not deliver expected benefits	<ul style="list-style-type: none"> A strong evidence base has already been collected on the benefits, through piloting this approach before rollout. Monitoring and evaluation will allow the team to assess ongoing benefits and the work programme will be adjusted accordingly. 	Low	High	Amber
London boroughs do not engage fully in subregional LAEP delivery	<ul style="list-style-type: none"> Subregional LAEPs in West, South and North London demonstrated strong interest and engagement by boroughs involved. Mirroring the previous approach to subregional LAEPs, a 'lead borough' will be selected for each LAEP area that is responsible for ensuring engagement from the others. 	Low	High	Amber

	<ul style="list-style-type: none"> This work programme has been incorporated into London Councils' Renewable Power for London workstream, which is committed to achieving buy-in from boroughs for this work, including through engaging subregions effectively 			
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4.2. Links to Mayoral strategies and priorities:

Strategy	Links
Environment Strategy	<ul style="list-style-type: none"> 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.
Housing Strategy	<ul style="list-style-type: none"> Help to prevent costly delays and unforeseen costs associated with poor infrastructure planning on development sites. Help to reduce the overall cost of infrastructure to developers. Help to improve viability of development.
The London Plan	<ul style="list-style-type: none"> Help developers and infrastructure providers make the best possible use of land, by encouraging the use of utilities master planning; developing innovative approaches to co-location of assets; and preventing costly retrofitting. Help to accelerate housing delivery in areas of London that are poorly served by existing infrastructure. 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	<ul style="list-style-type: none"> 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.
The Mayor's Equality, Diversity and Inclusion Strategy	<ul style="list-style-type: none"> Work with partner organisations to improve diversity and inclusion across the infrastructure sector.

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

5. Financial comments

- 5.1. Approval is sought to spend up to £500,000 to deliver subregional LAEPs; digital data tools to support this delivery; and continued funding of two Environment and Energy team posts.
- 5.2. This expenditure will be funded from within the ICS's approved budget for 2024-25.
- 5.3. The above does not require creation of additional posts, because ICS posts were already created and funded through CO454 and MD3080; and Environment and Energy posts have been handled separately through CO513.
- 5.4. The expected profile of the expenditure and income for this programme is shown in the table below:

Expenditure	2024-25
Continuation of North and South LAEP work	£127,000
East London LAEP	£150,000
Datahub and supporting work	£85,000
Environment and Energy posts	£138,000
Total	£500,000

5.5. All relevant budget adjustments will be made.

6. Legal comments

6.1. The foregoing sections of this report indicate that the decisions requested of the Executive Director of Good Growth, in accordance with their delegated authority granted under MD3080, 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, or conducive or incidental to, the promotion of economic development and wealth creation, social development and the improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the GLA'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 this decision, the Executive Director of Good Growth should have due regard to the public sector equality duty under section 149 of the Equality Act 2010 – namely, the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. This requirement is addressed at section 3 above.

6.3. 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 be put in place and executed by chosen service provider/supplier and the GLA before the commencement of the attendant works, services or supplies.

7. Planned delivery approach and next steps

7.1. These timelines are captured below:

Activity	Timeline
Completion of North and South LAEPs	Autumn 2024
Procurement of East London subregional LAEP	Autumn 2024
Delivery of East London subregional LAEP	Winter-spring 2024
Data Hub ongoing development	Winter 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 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:

Andrew McMunnigall 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:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 2 September 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

02/09/2024