

GREATER **LONDON** AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2732

Local Area Energy Planning Phase Two – West London Receipt of borough income

Executive summary:

The GLA's Energy Unit is seeking approval to receive and spend £250,000 of external income from five West London boroughs (Barnet; Brent; Ealing; Hammersmith and Fulham; and Harrow), to deliver a Phase 2 Local Area Energy Plan (LAEP). This will build on work previously undertaken by the GLA's Infrastructure Coordination Service on the West London subregional Phase 1 LAEP.

Decision:

That the Executive Director of Good Growth approves the GLA's acceptance and expenditure of £250,000 from five West London boroughs, to deliver a Phase 2 Local Area Energy Plan to be spent in financial year 2025-26.

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:

04/02/2025

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. A Local Area Energy Plan (LAEP) is a seven-step process developed by Energy Systems Catapult that identifies the most cost-effective pathway to decarbonising a region's energy system (covering power, heat and transport), and the built environment. The Ofgem-endorsed process informs development of investment proposals for energy infrastructure; and supports prioritisation of building retrofit programmes. It acts as an evidence base for planning policy and provides a framework for implementation and local-led action from a range of stakeholders to realise decarbonisation and sustainable growth objectives.
- 1.2. The pilot West London subregional Phase 1 LAEP (steps one to four) was completed in July 2023. Following this, the GLA's Infrastructure Coordination Service, in partnership with the Energy Unit, deployed this clear, strategic and coordinated approach to LAEP delivery across London under DD2659. This model has subsequently been implemented in the north and south London subregions (covering stages one to four of the LAEP process) and is currently being implemented with east London boroughs. Under this model, boroughs are expected to deliver Phase 2 LAEPs (steps five to seven) focused on their own local geographies.
- 1.3. Five West London boroughs (Barnet; Brent; Ealing; Hammersmith and Fulham; and Harrow) approached the GLA to work collaboratively on Phase 2 LAEP. They requested that the GLA commission works on their behalf to enable a single procurement and delivery process for five individual Phase 2 LAEPs, covering each borough. Under this approach, the GLA agreed to match-fund and provide project management support. This output (Phase 2 LAEP) will serve as an evidence base designed to help in preparing decarbonisation business cases commissioned individually or jointly. To accelerate delivery of decarbonisation, there is also an opportunity for boroughs to approve the development of a strategic outline business case (SOC) for a cross-borough decarbonisation project as part of this project.
- 1.4. The parties' joint activity is ambitious in taking a collaborative approach to Phase 2 LAEPs, delivering economies of scale and cross-borough working. Through this project, the boroughs intend to build upon learnings from previous energy-planning work in key growth areas in other parts of London.
- 1.5. The five West London boroughs have agreed to provide £250,000 funding towards the cost of the collaborative activity (£50,000 per borough). The GLA will contribute a further £200,000 grant funding (already approved under DD2690), to meet the total anticipated project cost of £450,000. As the GLA is leading on the procurement of services for Phase 2, the money needs to be transferred to the GLA from the boroughs before any contractual appointment is agreed.
- 1.6. This innovative method of joint funding has been used here to encourage progression to the second stages of LAEPs, where the boroughs in question lack the financial capacity and resource to fund and deliver Phase 2 LAEPs on their own. Where Phase 2 LAEPs have previously been completed in London, they were funded entirely by boroughs. The GLA intends to continue exploring and refining this model with the support of the Zero Carbon Accelerator.

2. Objectives and expected outcomes

- 2.1. The funding granted by this decision will enable the five West London boroughs to complete all stages of the Energy Systems Catapult LAEP methodology. In this way, they can advance their objectives, and those of the Mayor, for net-zero planning across London. This will provide a tangible evidence base for project prioritisation and further project refinement.

- 2.2. It is also proposed to develop an SOC for a cross-borough decarbonisation project, subject to a gateway point in the project. This SOC will provide the basis for a tangible, replicable business case that can be further refined and supported by the Zero Carbon Accelerator and/or Green Finance Fund support, both overseen by the Environment and Energy Unit.
- 2.3. This approach will help to coordinate energy planning across London through common data and a shared understanding of interdependencies and cross-borough opportunities. This is particularly important in the context of heat network planning. Data produced through this project will be hosted in the GLA's LAEP Datahub, to inform various stakeholders' planning activities. This includes distribution network operators, who will use the data to inform their network plans in the region. This is particularly important given capacity constraints in the wider region.
- 2.4. A condition of the GLA's funding contribution is that the boroughs agree to engage with community energy groups as part of the LAEP development process. This will provide opportunities to engage with the community sector, and ensure the project reflects the local communities' priorities.
- 2.5. LAEP evidence is also informing borough and London-wide planning policymaking, including the London Plan. This will result in more robust decarbonisation considerations being incorporated into land use and development decisions.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and the GLA are subject to the public sector equality duty, and must have due regard to the need to: eliminate unlawful discrimination, harassment and victimisation; and advance equality of opportunity, 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. A key focus of the LAEP work includes considering the impacts of the energy transition on diverse groups of Londoners. The GLA has requested, in its proposed specification for this work, that the project uses wider datasets (such as socio-economic data) to consider the impacts of net-zero on fuel-poor and marginalised groups; and prioritises interventions based on these considerations.

4. Other considerations

Links to Mayoral strategies and priorities

- 4.1. LAEPs are linked to several Mayoral strategies and priorities, as detailed below:

Strategy	Links
Environment Strategy	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	• 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	• 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	Ensure that London remains a world leader in planning and delivering new infrastructure; maintaining existing infrastructure; and promoting positive perceptions of the city internationally.
The Mayor's Equality, Diversity and Inclusion Strategy	Work with partner organisations to improve diversity and inclusion across the infrastructure sector.

Consultations

- 4.2. Stakeholder engagement and consultation is critical to the successful completion and subsequent use/implementation of LAEPs (in particular Phase 2 of the process). It is necessary to stimulate engagement with consumers, communities and key players in the energy market, to understand the changes required to achieve decarbonisation targets, and the priorities of these groups. This engagement is crucial to allow for the effective network planning led by gas and electricity operators.

Conflicts of interest

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

Risks

- 4.4. The risks, and mitigations, are detailed in the table below.

Risks	Mitigation	Probability	Impact	Overall
The GLA doesn't receive borough funds, causing a programme delay and reputational risk.	• A GLA collaboration agreement will be put in place between the five West London boroughs • There will be regular communication with borough lead officers • A dedicated GLA Energy LAEP team will manage the programme of works, including the monies transfer • Oversight will be provided by the GLA Senior Management team.	Low	High	Amber

5. Financial comments

- 5.1. Approval is requested for expenditure of £450,000 to deliver a Phase 2 LAEP. This is to be spent in 2024-25 and 2025-26. Section 5.4 provides a breakdown of how this amount is to be funded.
- 5.2. The GLA will contribute a £200,000 grant funding. This GLA has already been approved under Section 5.1.c of DD2690:

“up to £3,600,000 + any potential underspend from a, b, d, e in grant funding to support complex/large project development between 23-24 and 25-26.”

5.3. The five West London boroughs involved in the project have agreed to provide funding as contribution to the costs of the collaborative activity. This funding totals £250,000 (£50,000 per borough).

5.4. The table below illustrates how the proposed expenditure is to be profiled:

Expenditure	2024-25	2025-26
Phase 2 LAEP	£50,000	£400,000
Funding source		
GLA Environment and Energy Revenue Budget (approved under DD2690)	£50,000	£150,000
Borough contributions (covered by this DD)		£250,000

5.5. The GLA will discuss and agree with the boroughs any VAT accounting that may be required.

6. Legal comments

6.1. The foregoing sections of this report indicate that the decisions requested of the Executive Director of Good Growth concern the exercise of the Authority's general powers; falling within the Authority'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 in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority'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 the decisions requested, the Executive Director of Good Growth must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Executive Director of Good Growth should have particular regard to section 3 (above) of this report.

6.3. The GLA may seek sponsorship when exercising its section 30 general power under its power to charge third parties for discretionary services under section 93 of the Local Government Act 2003 provided that the charges levied do not exceed the costs of provision.

6.4. Officers must ensure that appropriate documentation is to be put in place and executed as required between parties and the GLA before the commencement of any works captured under this decision form.

6.5. A Collaboration Agreement has been drafted between the GLA and the 5 West London boroughs detailing the terms of the agreement and timelines for the transfer of funds. This Collaboration Agreement is attached within the appendix.

7. Planned delivery approach and next steps

7.1. The project will be delivered according to the following timetable:

Activity	Timeline
Procurement of contract	January/February 2025
Delivery start date	February 2025
Delivery end date	September 2025
Project closure	October 2025

Appendices and supporting papers:

Appendix 1 - [DD2690 – Zero Carbon Accelerator Programme](#)

Appendix 2 - West London LAEP Phase 2 Collaboration Agreement

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:

Daniel Hickson has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Austin Entonu 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 3 February 2025.

✓

CHIEF FINANCE OFFICER:

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

Signature:

Fay Hammond

Date:

03/02/2025