

REQUEST FOR DIRECTOR DECISION – DD2734

London Low-Carbon Market Snapshot Update research

Executive summary:

The GLA wishes to update London's Low-Carbon Market Snapshot, which has been used to quantify the size and nature of London's low-carbon and environmental goods and services sector since 2013. This will help to support the delivery of the London Growth Plan; and to design future policies and programmes. This iteration of the research will include an expanded and improved set of priority sectors, developed in collaboration with London boroughs, London Councils and the sub-regional partnerships.

Decision:

That the Executive Director of Good Growth approves:

- receipt of £32,000 from Central London Forward to support the monitoring research of London's low-carbon and environmental goods and services sector.
- up to £124,000 expenditure over three years (2025-26 to 2027-28) on services required for monitoring research of London's low-carbon and environmental goods and services sector; and deliver corresponding snapshot update reports.

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:

17/03/2025

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The low-carbon and environmental goods and services (LCEGS) sector is the GLA's metric for the 'green economy'. This Low-Carbon Market Snapshot update will bring the time series up to date, so that there is a comprehensive dataset to use in measuring the green economy. It will be consistent with the existing time series that the GLA has from 2007-08 to 2022-23; and will cover the period from 2023-24 until 2026-27.
- 1.2. The data will be presented at London and sub-regional levels for all years; but will also provide a dataset at London-borough level every two years. The data will cover various areas of interest to the GLA and London boroughs, including forecast of sectoral growth in London over the next three to five years. It will also identify the strongest sub-sectors in London, and opportunities to develop economic activity and jobs in London; and facilitate an understanding of the impact and needs of LCEGS sectors and sub-sectors.
- 1.3. The GLA has carried out this research before. It would like to continue the 16-year dataset, to maintain the time series for the green economy dataset. It can then use this data to evaluate progress in delivering the objectives of the London Growth Plan. The research captures relevant activities across the economy, including growing services sectors such as carbon finance, environmental law, and environmental consulting, among activity that supports the shift towards a green economy. This iteration of the research will expand the dataset and methodology; and provide more detailed analysis of additional sectors, such as the circular economy, adaptation and green infrastructure.
- 1.4. The previous iteration of the research was approved in ADD 2508. The work outputs provided insight and intelligence on the LCEGS sector, and its sub-sectors, for use in the development, delivery and evaluation of the post-COVID Green New Deal (GND) recovery mission.
- 1.5. ADD 2695 approved spend of £50,000 on the procurement of research services on green economy. However, the procurement exercise was unsuccessful. It received one bid for data analysis services; the bid did not cover the data retrieval costs. Feedback from other interested bidders highlighted that the value of the contract was too low to carry out the scope of analysis requested.
- 1.6. Continuing research on the green economy is considered a priority by wider London government partners, and it would also be unhelpful and contradictory to cease updating this evidence base just when the London Growth Plan has highlighted the importance of the green economy. An additional contribution of £32,000 to this green economy research was secured from Central London Forward to increase the value of the research tender.
- 1.7. In the interim, a light-touch analysis, with a value of £10,000, was carried out in 2024 to bring the dataset up to date, using the existing methodology.
- 1.8. The GLA does not have internal capacity or access to data to carry out LCEGS analysis. Therefore, this work needs to be procured externally.
- 1.9. The GLA will lead the procurement and management of the contract. The research specification will be developed in consultation with representatives from GLA Environment and Skills policy teams; GLA Economics; London boroughs; sub-regional partnerships; and London Councils. Decisions will be taken in consultation with a technical advisory group, which will include representatives of those teams. This collaborative approach will ensure that research is relevant to the wider GLA and its priorities, while fostering collaboration with London boroughs and preventing duplication of effort and inconsistency in measuring the sector.

1.10. Project outputs include:

- updated London datasets – 2023-24
- updated London datasets – 2024-25
- updated London datasets – 2025-26
- updated London datasets – 2026-27
- growth forecasts and opportunities
- analysis of sub-sectors and supply chains
- export and trade datasets
- new LCEGS sub-sector datasets
- comparisons with other sectors from London's economy, quantified
- a list of selected businesses for developing a cleantech network
- national and regional mapping to identify supply-chain opportunities
- backwards comparison of the datasets using the new approach.

1.11. These deeper analysis outputs will be covered by this £124,000 tender. These outputs will enable the GLA and its partners to commission any future updates if more specialised output is required.

2. Objectives and expected outcomes

- 2.1. The GLA wants to update the dataset with data for the period from 2023-24 to 2026-27, to continue the 16-year dataset for tracking the green economy. It will use this data to evaluate the impact of the GND mission.
- 2.2. The first report, covering 2023-24, would be published by summer 2025. The data (including the sector's market value; employment numbers; historic and forecasted growth rates; and information on supply chains) will inform our work on, for example, green jobs and skills, the London Growth Plan, the non-residential emissions mandate; and wider policy and programme design.

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
 - 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. This project does not have negative equalities impacts, as it is monitoring research. It continues the research that the GLA has carried out before, and no negative impacts have been observed.
- 3.4. The research will provide a more detailed insight into the LCEGS sector and priority sub-sectors. It will provide intelligence and insights to develop programmes and projects to help grow the green economy, and may inform the development of skills and employment programmes to help Londoners with protected characteristics secure jobs in this growing sector. It will also generate jobs for Londoners of all backgrounds and market opportunities for London's businesses, whilst helping to solve the environmental challenges that London and other cities are facing.

4. Other considerations

Risks

- 4.1. There is low risk attached to the proposal, as it is data-driven and evidence-based research.
- 4.2. The table below covers research-level risks:

Risk description	Mitigation/risk response	Probability (1-4)	Impact (1-4)	RAG
There is a research-level risk that expanded specification integrating more priority sectors may not receive interested bidders, hindering delivery of the research.	We welcome joint bids from experts. Previous procurement exercises for similar research requirements received several notifications of interest, and market engagement was undertaken.	2	2	Amber
There is a research-level risk that new research priorities will emerge during a three-year contract, which may not be accommodated within the existing specification.	The previous research methodology was used for 13 years. Development of the new methodology will update the sector definition with the latest insights and developments in the sector.	2	2	Amber
There is a financial-level risk that the contract value is too low to accommodate the costs of data retrieval and data analysis.	The value of the contract has increased since the previous procurement exercise, and the tender specification has been revised. The GLA completed market engagement to understand the deliverability of the tender.	2	3	Amber
There is a financial-level risk that a three-year contract commits the GLA to a service that may fail to deliver the outputs over the duration of the contract.	The contract will include break clauses; payments will be linked to milestone deliveries throughout the duration of the contract.	1	3	Amber

Links to Mayoral strategies and priorities

- 4.3. The transition to a low-carbon circular economy is an integral part of several GLA's strategies and plans, including the London Environment Strategy (LES) and the Mayor's Economic Development Strategy (EDS). Alongside this, the recently published London Growth Plan identifies climate and nature science as important growth sectors, and recognises the wider opportunities within the green economy for jobs and skills; and the research will also support delivery of relevant recommendations from the London Climate Resilience Review.
- 4.4. The transition to a low-carbon circular economy is delivered by environmental policies and programmes targeting both the supply- and demand-side of the green economy. For example, the LES supports the creation of demand by setting a strong environmental policy framework. The EDS and Growth Plan stimulate the supply-side to meet this demand by supporting businesses and developing skills for workers, so that they are aware of, and competitive in, this market. The new Growth Plan will continue to look at the skills system in London through an associated inclusive talent strategy, and support growth of priority sectors in London. It will capture green skills and green economy, which LCEGS research helps to measure.
- 4.5. A target was set as part of London's green recovery from the pandemic to double the value of the green economy by 2030 (measured by the value of LCEGS sales). A regularly updated dataset is critical to assess progress against this target.

GDPR, conflicts of interest and procurement

- 4.6. The project will not be processing any sensitive personal data.
- 4.7. There are no conflicts of interest to declare from any officers involved in the drafting or clearance of this decision form.
- 4.8. Procurement will be carried out by TfL procurement in accordance with the requirements of the GLA's Contracts and Funding Code.

5. Financial comments

- 5.1. Approval is requested for the GLA's receipt of £32,000 from Central London Forward to support the delivery of the LCEGS research. There is agreement from the funder that this research will be split across financial years.
- 5.2. Approval is requested for fund transfers, totalling £42,000 between GLA teams to support the delivery of the LCEGS research. This is in addition to the £32,000 grant funding highlighted in 5.1:
 - £21,000 from the GLA Climate Mitigation team to the Sustainability and Strategy team
 - £11,000 from the GLA Economics team to the Sustainability and Strategy team
 - £10,000 from the GLA Economic Development team to the Sustainability and Strategy team
- 5.3. Additionally, £50,000 will be spent from the Sustainability and Strategy team's budget.
- 5.4. The total funding of £124,000 will be paid to the appointed supplier following a tender exercise. The split of payments is expected to be:
 - £84,000 in 2025-26
 - £20,000 in 2026-27
 - £20,000 in 2027-28.
- 5.5. It is important to note that the 2025-26 budget plan has not yet been approved and is therefore subject to change.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions sought 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 the improvement of the environment in Greater London. In formulating the proposals in respect of which a decision is sought, officers must comply 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 UK
 - consult with appropriate bodies.
- 6.2. In taking any decisions sought, the Director 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, and foster good relations, between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion) and persons who do not (section 149 of the Equality Act 2010). To this end, the Director should have particular regard to section 3 (above) of this report.
- 6.3. If the Director makes the decisions sought, officers must ensure that:
- no reliance is placed on the Central London Forward funding until a legally binding commitment to has been secured, and they are satisfied that the GLA can comply with any conditions of its award
 - the services, suppliers or works required are procured in liaison with TfL Procurement in accordance with the Contracts and Funding Code and appropriate contract documentation is put in place between and executed by the GLA and contractors before commencement of those services.

7. Planned delivery approach and next steps

- 7.1. Research will be delivered in stages as it is a three-year research project. The first high-level report will be delivered by summer 2025. The subsequent detailed analysis will be delivered in autumn 2025. The final iteration of the LCEGS data for London will be delivered in 2027.

Activity	Timeline
Procurement of contract	April 2025
Delivery start date	May 2025
Delivery of updated London datasets for 2023-24 data	May 2025
Delivery of updated London datasets for 2024-25 data	October 2025
Delivery of updated London datasets for 2025-26 data	October 2026
Delivery of updated London datasets for 2026-27 data	October 2027
Delivery end date	December 2027

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:

Gintare Masiulyte has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Megan Life name 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 17 March 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:

17/03/2025