

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3300

### Non-Road Mobile Machinery Project Expenditure

#### Executive summary:

The Mayor has identified improving air quality as one of his key priorities, given its impact on public health and inequality.

The Non-Road Mobile Machinery (NRMM) Low Emission Zone (LEZ) uses Mayoral and local authority planning powers to control emissions from NRMM on construction sites, by requiring machinery to meet specific emission standards based on the EU Emission Stages.

The London Borough of Merton has been leading on the pan-London NRMM LEZ programme since 2019. This is funded via a grant agreement from the GLA and match funding from participating local authorities.

This decision seeks approval for expenditure against the Air Quality budget to maintain the pan-London NRMM LEZ programme: £250,000 in 2025-26; £262,000 in 2026-27; and £275,000 in 2027-28. These figures relate to total estimated expenditure, with exact amounts depending upon the number of participating local authorities.

The GLA will vary its existing grant-funding arrangement with the London Borough of Merton, to continue funding delivery of the pan-London NRMM LEZ programme until 31 March 2028. Each participating local authority will contribute match funding of £4,000 per annum.

The funding will include provision for delivery of NRMM audits in all participating local authorities (currently 32), and the periodic review of the NRMM Practical Guide.

#### Decision:

That the Mayor approves additional expenditure of up to £787,000 to deliver the pan-London Non-Road Mobile Machinery Low Emission Zone programme, with an approximate spend of £250,000 in 2025-26; £262,000 in 2026-27; and £275,000 in 2027-28. This will be provided via a grant-funding arrangement with the London Borough of Merton.

#### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

11/11/24

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. Poor air quality remains the greatest environmental risk to public health in the UK. Construction and demolition sites, including roadworks, can be a significant contributor to local particulate levels if they are not well managed.
- 1.2. The London Atmospheric Emissions Inventory ([LAEI 2019](#)) estimates that non-road mobile machinery (NRMM) exhaust emissions are responsible for approximately 70 tonnes of particulate matter (PM), 1,660 tonnes of toxic nitric oxides (NO<sub>x</sub>) and 440,159 tonnes of carbon dioxide (CO<sub>2</sub>) emissions in London each year. NRMM used in the construction and infrastructure building sectors currently accounts for 96 per cent of London's NRMM emissions.
- 1.3. In 2015 the Mayor of London introduced emissions standards for the machinery used on construction and demolition sites. These standards apply within what is known as the NRMM Low Emission Zone (LEZ).
- 1.4. The NRMM LEZ uses Mayoral and local authority planning powers to control emissions from NRMM on construction sites. It does so by requiring machinery to meet specific emission standards based on the EU Emission Stages. The NRMM standards are designed to become progressively tighter; by 2040, across all construction sites in London, only zero-emission NRMM will be permissible.
- 1.5. In 2016, the London Borough of Merton (LB Merton) received a grant for a pilot project to undertake NRMM compliance inspections in south London. This followed a competitive selection process in the second round of the Mayor's Air Quality Fund (MAQF). During the pilot, LB Merton trained specialist NRMM officers, and equipped them with the necessary technical knowledge, to undertake and advise site operators.
- 1.6. From 2019, other London local authorities joined Merton in this work. The borough submitted a proposal for a pan-London compliance inspection project, in a competitive selection process for the third round of MAQF. The proposal was successful, and the project team received funding for compliance inspections in 32 London local authorities for three years. Each local authority that opted into the proposal provided £4,000 per annum in match funding.
- 1.7. Between 2019 and 2022, the pan-London NRMM LEZ project delivered over 2,000 site audits across London and inspected close to 6,000 machines. This resulted in significant emission reductions, estimated at 42 per cent per annum for PM; 36 per cent for toxic NO<sub>x</sub>; and 11 per cent for CO<sub>2</sub>.
- 1.8. Given this success, the GLA and participating local authorities wanted to continue with a pan-London approach to auditing and enforcement. In 2022, the GLA sought approval under MD2985 to continue funding the project directly from the Air Quality team budget. This provided funding from 2022 to 2025; match funding from participating local authorities was maintained at the same level.
- 1.9. LB Merton has been very successful in delivering this project to date. It has established and maintained great working relationships with all local authorities and NRMM stakeholders. This is evidenced by the high participation rates, with 32 local authorities paying match funding. The borough has also developed an emissions-savings calculator, used to demonstrate the benefits of using cleaner engines – thereby incentivising NRMM users to change their fleets.
- 1.10. LB Merton's unique approach to deliver on its environmental commitments has been hailed as exemplary. It has won multiple awards for the project, including Local Government Chronicle awards in 2020 and 2024; and the Sustainable Cities Award in 2022.
- 1.11. From 1 January 2025, many sites will be subject to tighter standards, meaning they will require compliance-driving through auditing. The current grant-funding agreement with LB Merton is due to

expire in March 2025; this decision seeks to provide funding to extend that agreement for another three years.

- 1.12. As part of the NRMM LEZ policy, the GLA also funds the maintenance of the NRMM website. Work to update the NRMM website in preparation for the tightening of NRMM standards on 1 January 2025 has been approved separately under ADD2732 and is being carried out by the GLA's Digital Estate Support Partner, CIVIC.

## **2. Objectives and expected outcomes**

- 2.1. This programme will be delivered over 2025-28. It will include the following elements, all of which will be delivered by the LB Merton project team:
- Construction site audits – planned and cold site visits to construction sites across Greater London, to audit compliance with the NRMM LEZ. This is the project team's core activity: engaging with site operators, providing bespoke guidance, and supporting them to take remedial actions.
  - Staff training – specialist training to build and maintain technical knowledge, and safeguard staff health and safety.
  - Working with partners – all local authorities have a dedicated point of contact, familiar with the local authority, for any NRMM queries.
  - NRMM Practical Guide – guidance documents for use by local authorities and industry stakeholders.
  - Stakeholder engagement – to maximise impact and influence on industry behaviour change.
- 2.2. Additional funding for LB Merton will provide value for money in the following ways:
- LB Merton has a small team of NRMM specialist inspectors who are already trained. The borough has also developed a toolkit of resources, with which site operators across London are familiar. Continuing with the current project team will avoid delays and costs associated with training new officers and developing new resources.
  - The team will go above and beyond their core activities, by using their existing contacts to continue engaging with key stakeholders in the NRMM industry. This will ensure ongoing support for the NRMM policy; and minimise the need for additional communication resources.
  - Based on 2020 figures, the service provided by LB Merton would cost £52,000 (one FTE) per local authority if the project was delivered without a centralised auditing programme. In comparison, LB Merton can deliver with six FTE for a pan-London project. This is equivalent to £16,000 per local authority, with costs split between the GLA and participating local authorities.
  - The NRMM project report in 2022 shows that estimated emission savings from the NRMM project over three years are 1,638 tonnes for NOx and 72 tonnes for PM. Therefore, this project will deliver benefits that far outweigh the cost, given the well-documented burden of air pollution on the UK healthcare system.

## **3. Equality comments**

- 3.1. The GLA and other public authorities must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; and to advance equality of opportunity, and foster good relations, between people who share a protected characteristic and those who do not, under section 149 of the Equality Act 2010. This involves: having due regard to the need to remove or

minimise any disadvantage suffered by those who share a relevant protected characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.

- 3.2. The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, sex, religion or belief, sexual orientation and marriage/civil partnership status. Compliance with the Equality Act may involve treating people with a protected characteristic more favourably than those without one. The duty must be exercised with an open mind, and at the time a decision is taken in the exercise of the GLA's functions. Conscientious regard must be had that is appropriate in all circumstances.
- 3.3. In June 2023, the GLA published updated analysis on exposure to air pollution. This showed not only that there are huge health impacts of pollution, but also that these fall disproportionately on the most vulnerable; including on those from deprived communities and on Black, Asian and minority ethnic Londoners. It also established that those who contribute the least to poor air quality suffer the most from it. This means that improving air quality is fundamentally about tackling social injustice and health inequalities.
- 3.4. UK construction and demolition sites, including roadworks, can be a significant contributor to local particulate levels if they are not well managed. These projects can last several years, and at times more than one will be located in the same area. This generates significant emissions, which adversely affect the health of local residents.

#### 4. Other considerations

- 4.1. The key risks and issues, and their mitigating actions, are outlined in the table below.

Risk description	Likelihood	Impact	Mitigating action
Lack of match funding contributions from participating local authorities	Medium	Medium	Project team will have ongoing engagement with local authorities to identify and address match funding issues as soon as possible. GLA and project team to review key performance indicators (KPIs); and subsequent grant payments will be adjusted to reflect participation.
Lack of information from local authorities (lists of construction sites to be inspected)	Medium	Low	Project team will have ongoing engagement with local authorities to discuss required information. The project will include KPIs for cold-calling unregistered construction sites.
Obstruction by construction site operators	Low	Medium	Project team will have ongoing engagement with local authorities to discuss any problematic sites. local authority officers have powers of entry (warrants), which can be exercised in extreme cases.
Staff injuries	Low	Medium	Project team will have ongoing health and safety training to safeguard staff.

#### Links to Mayoral strategic and priorities

- 4.2. This programme will contribute towards delivering the Mayor's London Environment Strategy and London Plan, as it will help deliver on the following policies:

- Policy 4.2.3: Reduce emissions from non-transport sources, including by phasing out fossil fuels:
  - Proposal 4.2.3.a: To work with government, TfL, the London local authorities, the construction industry and other users of NRMM to prevent or reduce NRMM emissions.
  - Proposal 4.2.3b: The Mayor will work with industry and other partners to seek reductions in emissions from construction and demolition sites.
- Policy SI 1: Improving air quality:
  - D. In order to reduce the impact on air quality during the construction and demolition phase development, proposals must demonstrate how they plan to comply with the NRMM LEZ and reduce emissions from the demolition and construction of buildings following best practice guidance.

#### Conflicts of interest

- 4.3. The officers involved in the drafting or clearance of this form do not have any interest to declare in accordance with the GLA's policy on registering interests that might, or might be seen to, conflict with this MD.

### **5. Financial comments**

- 5.1. The Mayor is requested to approve expenditure of up to £787,000, to deliver the pan-London NRMM LEZ programme.
- 5.2. This expenditure will be in the form of grant funding to LB Merton, who will deliver the pan-London NRMM LEZ programme. This is jointly funded by the local authorities, who each contribute £4,000 towards the programme per year.
- 5.3. The planned profile of the expenditure is outlined in the table below:

<b>Financial year</b>	<b>Estimated total spend</b>
2025-26	£250,000
2026-27	£262,000
2027-28	£275,000

- 5.4. This expenditure will be funded from within the Air Quality team's budget within the Connectivity, Air Quality, Transport and Infrastructure Unit. This expenditure is affordable within the indicative budgets for 2025-26 and 2026-27, set as part of the 2024-25 budget process. However, it will require formal approval as part of the Mayor's budget setting process for each year.
- 5.5. To mitigate any risk of the programme being insufficiently resourced, in future years, to cover costs following the budget-setting process, any contractual agreements will include the usual break clauses that could be exercised if required.
- 5.6. This expenditure is further to the £510,000 given over the 2022-23, 2023-24 and 2024-25 financial years. The cumulative expenditure is expected to total £1.297m at the end of the period covered by this decision. This represents an increase of at least £80,000 per year from the current arrangement. This reflects increased costs to deliver the scheme – including increased staff costs that are currently causing a deficit for the borough partner.
- 5.7. All relevant budget adjustments including will be made.



## 6. Legal comments

- 6.1. The foregoing paragraphs of this report indicate that the decisions requested of the Mayor 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 or improvement of the environment, in Greater London.
- 6.2. In implementing the proposals in respect of which a decision is sought, officers should 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.
- 6.3. In taking the decisions requested, as noted in section 3 above, the Mayor must 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 prohibited by the Equality Act 2010; to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, age, sex, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment) 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. To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.4. The decisions requested of the Mayor indicate that the proposed funding amounts to the provision of grant funding and not payments for services. Officers must ensure that the funding be distributed fairly, transparently, in accordance with the GLA's equalities duty and with the requirements of section 12 of the GLA's Contracts and Funding Code.
- 6.5. Furthermore, officers must ensure that an appropriate funding agreement be put in place between and executed by the GLA and the recipient, or any existing funding agreement between the parties is varied appropriately if being extended, before any commitment to fund is made, and any funding is paid to the recipient. The officers should note that funding should not be committed through a binding funding agreement for future years, which remain subject to budgetary confirmation.

### Subsidy control

- 6.6. The Subsidy Control Act 2022 (the SC Act) requires that grant funding be assessed in accordance with a four-limbed test, to confirm whether the grant funding amounts to a subsidy within the meaning of the SC Act. The decisions requested of the Mayor indicate that the grant funding will be provided to local authorities to support their monitoring and enforcement activities with respect to NRMM requirements in the land use planning regime. In doing so, the local authorities will be exercising their public functions. Accordingly, the proposed grant funding does not meet all aspects of the applicable four-limbed test in the SC Act; and, therefore, does not amount to a subsidy.

## 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 2025 – March 2025
Announcement	March 2025
Delivery start date	March 2025

Final evaluation start and finish (self)	1 April 2028 – 31 July 2028
Delivery end date	31 March 2028

**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? YES**

If YES, for what reason: Until the grant agreement has been drafted and signed.

Until what date: 31 March 2025.

## 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:

Deborah Obafemi has drafted this report in accordance with GLA procedures and confirms the following:

✓

### Sponsoring Director:

Phil Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

### Mayoral Adviser:

Mete Coban has been consulted about the proposal and agrees the recommendations.

✓

### Advice:

The Finance and Legal teams have commented on this proposal.

✓

### Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 9 December 2024.

✓

## CHIEF FINANCE OFFICER:

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

**Signature:**



**Date:**

11/12/2024

## CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

**Signature:**



**Date:**

09/12/2024