

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2527

Title: Allocation and transfer of funds relating to the CIRCulT Horizon 2020 project

Executive Summary:

The GLA and the London Waste and Recycling Board (LWARB) are consortium partners in an EU Funded Horizon 2020 (H2020) CIRCulT project. The project supports the Mayor's target of 95 per cent construction, demolition and excavation waste recycling and 95 per cent beneficial use of excavation waste.

This decision form seeks approval for the transfer of £98,000 (62 per cent) of the GLA's grant funding allocation to LWARB and £20,000 (13 per cent) to London Cluster partners Grimshaw Architects to deliver relevant CIRCulT objectives. The GLA will retain £40,000 (25 per cent) of the funding allocation in order to deliver the project's strategic objectives and ensure that the project aligns with and supports the development of the Mayor's policies.

Decision:

That the Executive Director, Good Growth approves:

1. the transfer of the following amounts of the GLA's grant funding allocation for an EU project called 'CIRCulT' to the following delivery partners:
 - a. £98,000 (62 percent of the GLA's funding) the London Waste and Recycling Board (LWARB) aiming to reduce the yearly consumption of virgin raw material by 20 per cent in new built environments; and
 - b. £20,000 (13 percent of the GLA's funding) to Grimshaw Architects for developing the London built environment data platforms on the Circularity hub' - an open, accessible data and information platform to support acceptance and implementation of circular construction projects
2. the expenditure of £40,000 from the H2020 CIRCulT project grant to support delivery of complementary circular economy projects by the Environment and Energy Team, to be developed and approved by Assistant Director Decision.

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:

9 March 2021

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The GLA, the London Waste and Recycling Board (LWARB) and a number of other London organisations are consortium partners in an EU Funded Horizon 2020 CIRCulT project. CIRCulT (Circular Construction in Regenerative Cities) is a collaboration with the cities of Helsinki, Copenhagen, and Hamburg. It aims to support the creation of regenerative cities by implementing innovative design and construction practices to cut waste, make efficient use of resources and boost reuse and recycling. CIRCulT contains nine work packages for which the GLA is assigned an allocated time and budget for each.
- 1.2. The GLA holds EU grant agreement 821201 for the CIRCulT project with a total value of €180k funding over a four-year period from June 2019 – June 2023. On 13 March 2020 the GLA received £76k of this funding as a lump sum, to fund GLA staff member time to engage in specific activities associated with each work package. On 16 June 2020 the EU Project Legal Entity Appointed Representative (LEAR) approved via email a GLA grant funding re-allocation of €24k/£20k (13 per cent) to the CIRCulT London Partner, Grimshaw, to deliver work associated with Work Package 8. Note: claims are made in euros using an average exchange rate over the claim period so the final amount in pounds will vary.
- 1.3. CIRCulT has direct links to supporting the development and implementation of London Plan and London Environment Strategy circular economy and waste policies, and to informing the overall quality and environmental performance of other major schemes supported by the GLA (e.g. Good Growth funding programmes, OAPFs and Housing Zones). The GLA's CIRCulT role is largely advocacy, brokerage and advice to help connect project partners with major development schemes to test and trial circular economy approaches, help inform data gathering and analysis, and ensure that the project aligns with and supports the development of the Mayor's Good Growth policies and programmes.
- 1.4. The GLA's role in the project has been led by officers in the Environment and Energy Team with some support from staff in the GLA Planning and Regeneration teams. The GLA resource commitment at the time of joining CIRCulT was estimated and planned for at the equivalent of 0.13 OFTE, to come from existing resource only. As a result, the GLA has only used time and funding equivalent to around 5 per cent (€13k/£12k) of its budget allocation as part of core work for developing new London Plan circular economy policy, planning guidance, and training.
- 1.5. It has become apparent that the CIRCulT project going forward demands more time (equivalent to around 0.5FTE) and specific expertise beyond what the GLA can provide. Unless more resource is made available, the current funding arrangement poses a risk to both the GLA and the effective delivery of the CIRCulT project. To mitigate against this risk and make more efficient use of resources available from the London CIRCulT partners, GLA and LWARB officers recommend reallocating the bulk of the GLA's remaining funding totalling €111k/£98k (62 per cent) to LWARB to manage and the re-allocation of €24k/£20k (13 per cent) to the CIRCulT London Partner, Grimshaw, to deliver work associated with Work Package 8, in line with the email approval by the GLA's project LEAR in June 2020.
- 1.6. This would leave the GLA with €46k/£40k (25 per cent of its current allocation) for personnel, travel and other indirect costs. This would include £29k in personnel costs which would be a more manageable funding allocation equivalent to 0.13 FTE than the GLA originally agreed.
- 1.7. Assuming agreement of the transfer of funds through this Director's Decision, the GLA's revised expenditure, would be €46k/£40k between June 2019 and the end of the project in June 2023. The budget breakdown includes £29k in personnel costs plus an uplift of 25 per cent or £8k for overheads, as well as a travel budget of €3k/£2.7k for attendance at future consortium meetings. After travel costs the remainder is funding for officer time spent on the programme, calculated on the basis of an hourly rate. As the officer's salary and overheads are covered by the core environment salaries budget, this is additional income. It is proposed that this be allocated to the environment waste budget for expenditure on complementary circular economy programme delivery, thus supporting the Mayor's objectives for London to become a low carbon circular city. The exact amount in pounds will be determined by an aggregated exchange rate over the claim period in question.

- 1.8. The key benefit of the fund transfer is that it would allow the GLA to continue to inform the strategic design and delivery of each work package, and the CIRCulT project overall, with the heavy lifting on the delivery and monitoring undertaken by the other project partners. The fund transfer would also mitigate delivery and budget spend risk on the GLA.
- 1.9. Alternatives considered and discarded:
- 1.9.1. Continue using GLA staff: GLA Waste and Green Economy Officers have reached out to GLA Regeneration and Planning Officers across the Good Growth Directorate to identify opportunities to meet the additional demand on GLA resources and meaningfully spend the current GLA funding allocation. It was determined that given the resource constraints and limited expertise available, relevant GLA staff could only continue to provide previously agreed staff time equivalent to around 0.13 FTE, to be met from existing staff time.
 - 1.9.2. Recruit additional resource: This option was discarded given that the GLA is having to make significant savings and headcount is therefore under scrutiny. Timescales for recruitment would also make this option unattractive.
 - 1.9.3. Re-profile grant funding internally: The EU Grant Funding Agreement carries strict rules for what the money can be spent on and any work funded must directly deliver on the objectives for each CIRCulT work package. Conditions of the Grant Funding agreement do not allow for the funding to be re-profiled to other parts of the GLA's work programmes.

2. Objectives and expected outcomes

- 2.1. The fund transfer to LWARB would be conditional on the following benefits to the GLA:
- a. The GLA continuing to play an important strategic role in shaping and delivering the project
 - b. The GLA having free and open access to the tools and outputs from the CIRCulT project
 - c. The project partners working collaboratively with the GLA to allow the outputs and tools produced to support and improve the development of existing relevant Good Growth tools, programmes and policy development. This includes but would not be limited to:
 - i. the London Waste Map,
 - ii. the London Development Database,
 - iii. Referable Planning applications,
 - iv. Regeneration Funding programmes
 - v. Monitoring the impact and performance of the Mayor's London Environment Strategy and London Plan policies
 - d. Flexibility to re-allocate funds back to the GLA in agreement with LWARB
- 2.2. The allocation of the remaining grant income to the waste budget will enable development of complementary circular economy projects, working in collaboration with London Cluster colleagues. The intention is to focus on material flows in the built environment to support the Mayor's target of 95 per cent construction, demolition and excavation waste recycling and 95 per cent beneficial use of excavation waste. Once developed, these projects will be approved by Assistant Director Decision. There is a net nil effect to the Authority as this is externally funded and the grant condition allows expenditure to take place between June 2019 and June 2023.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, in considering whether to grant this approval "due regard" must be had to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not. Protected characteristics include age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender, sexual orientation (and marriage or civil partnership status for the purpose of the duty to eliminate unlawful discrimination only).
- 3.2. This decision has been assessed against this duty and does not raise any issues under the Equality Act. It is expected that the CIRCulT project will have positive equality benefits; circular economy principles focus on keeping materials in use at their highest value for as long as possible. Circular construction aims to close

material loops by reusing, sharing, leasing, repairing, refurbishing, upcycling, or recycling rather than continuing with the traditional take-make-consume-dispose process. This has the benefit of opening up opportunities for development of local green construction skills and jobs for all Londoners and moving away from traditional ownership models towards more accessible community-based sharing. In reducing reliance on carbon intensive raw materials, the project supports the construction industry to make radical changes to reduce its carbon footprint and help tackle the climate crisis which is widely recognised is impacting globally on the most vulnerable people in society.

4. Other considerations

4.1. Risks and issues:

- 4.1.1. The proposed reallocation of funds to LWARB mitigates risk to the GLA in not being able to fulfil its commitments under the grant agreement. It also ensures project delivery through more efficient use of resources among consortium partners.
- 4.1.2. The proposal to retain a funding allocation equivalent to 0.13 FTE has been carefully considered in relation to other commitments on staff to ensure that the GLA is able to deliver effectively. It is considered that with careful allocation of resources and close monitoring of progress there will be no ongoing risk of underperformance against this revised allocation.

Links to Mayoral Strategies

- 4.2. The CIRCuIT project and future GLA circular economy projects funded through this grant income support the Mayor's London Environment Strategy target of achieving 65 per cent municipal waste recycling by 2030 and the London Plan targets of 95 per cent construction, demolition and excavation waste recycling and 95 per cent beneficial use of excavation waste. It also supports the Mayor's London Environment Strategy objective to become a low carbon circular city.

Consultation

- 4.3. The approach proposed in this document was agreed in consultation with the Interim Assistant Director for Environment and Energy, Elliot Treharne, the Policy and Programmes Manager for Waste and Green Economy, Andrew Dunwoody, the Programmes and Business and Programme Manager for Environment, Heather Hodgins. The approach was also agreed with LWARB and Grimshaw Architects who would be responsible for additional delivery on the CIRCuIT project.
- 4.4. No conflicts of interest have been identified for anyone involved in the drafting or clearance of this decision.

5. Financial comments

- 5.1. The EU-funded Horizon 2020 Circuit programme is a collaborative project led by a consortium of partners with an aim to create regenerative cities selected within the EU. This will be achieved by implementing innovative processes that reduces waste, making efficient uses of resources and recycling. Approval is sought for the reallocation of £118,000 to be transferred to London Waste Recycling Board (£98k) and Grimshaw Architects (£20k). Both organisations will claim their share of the reallocated funds directly from the funding partner, pending an approval to increase their allocation. The Authority will hold the funds in reserve until the agreement has been approved, at which point the funds will be return to the funding partner of the H2020 Circuit programme for reallocation.
- 5.2. Approval is also being sought for the expenditure of £40,000 from the H2020 Circuit programme by the Waste programme budget held within Environment. This funding will be used towards projects that are yet to be fully scoped out. Once developed, expenditure for the project will be subject to further approval with an indicative profile of spend via the GLA decision making process. There is a net nil effect to the Authority as this is externally funded and the grant condition allows expenditure to take place between June 2019 and June 2023.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the director fall within the statutory powers of the Authority to promote and/or to do anything which is facilitative of or conducive or incidental to the improvement of the environment within 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:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) 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; and
 - (c) consult with appropriate bodies.
- 6.2 In taking the decisions requested of him, 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 between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) 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 director should have particular regard to section 3 (above) of this report.

Transfer of the Funding

- 6.3 The officers have requested approval for Authority to transfer a proportion of its funding under the EU Funded Horizon 2020 (H2020) CIRCulT project to LWARB and to Grimshaw Architects. The officers must ensure that they obtain all necessary permissions from the relevant EU body prior to the transfer and that they comply with any conditions placed upon the transfers by the relevant EU body and by the terms of the funding agreement between the Authority and the EU.

Procurement

- 6.4 Furthermore, the officers have sought approval for the expenditure of £40,000 on complementary circular economy projects. As in the case of the proposed transfers, the officers are reminded of the need to ensure that all expenditure of funding complies with the terms of the funding agreement in place between the Authority and EU. Moreover, the officers should note that all services, which are to be procured in furtherance of the CIRCulT project, must be procured in accordance with the Authority's Contracts and Funding Code (Code) and with the assistance of Transport for London's commercial team. Furthermore, officers must ensure that appropriate contractual documentation be executed by both the Authority and the relevant contractors prior to the commencement of the required services.

Funding

- 6.5 Finally, to the extent that the GLA funds any projects in furtherance of the CIRCulT project, the officers must ensure that all funding be distributed in accordance with the requirements of section 12 of the Code.

7. Planned delivery approach and next steps

- 7.1. A timeline for the project is set out below.

Activity	Timeline
Delivery Start Date	June 2019
Project set up completed	December 2019
City Network Created and inaugural meeting held	November 2020
Materials flow database completed	November 2021
First periodic report completed	November 2021
Series of hackathons	May 2021
Second periodic report submitted	July 2022

E-learning modules created	Nov 2022
Delivery End Date	June 2023
Final report	Nov 2023
Project Closure:	Dec 2023

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 either be published 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

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under 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:

Katie Lindsay 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.

✓

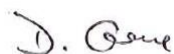
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 8 March 2021

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

9 March 2021