

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2415

Title: Drinking Water Fountains Programme 2018 – 2021

Executive Summary:

The Mayor in his London Environment Strategy committed to significantly reduce waste, focusing on food waste and single-use packaging. The Mayor will support campaigns and initiatives to cut the use of single-use packaging including the provision of funding for the installation of more drinking water fountains and behaviour change campaigns to drive a water refill culture.

This MD seeks approval of expenditure of £674,000 over three years (2018/19 to 2020/21) as part of the £5m drinking water fountains programme announced on 12 October 2018 (with the Mayor and Thames Water each contributing £2.5m). This MD builds on the approval given via MD2360 (November 2018) to spend £1.826m of the £2.5m GLA contribution to the programme. Expenditure will fund staffing, monitoring and evaluation work, as well as additional capital grant funding to Thames Water.

Related Decisions to this MD are: MD2360 Drinking Water Fountains Programme 2019-2021, DD2246 Plastic bottle reduction and water refill project resources, ADD2195 Water refill scheme pilot, ADD2217 Plastic bottle reduction project installing fountains and DD2309 Plastic bottle reduction project - installing fountains - phase two.

Decision:

That the Mayor approves:

1. Capital expenditure of £308,000 in the form of grant funding to Thames Water as a contribution to its costs of fountain purchase and installation activity; and
2. Revenue expenditure of £366,000 for fixed term staffing and monitoring and evaluation work.

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:

21/4/19

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Plastic packaging blights our streets and finds its way into oceans, harming wildlife and taking centuries to break down whilst releasing toxic chemicals. Single-use plastic bottles form the most prevalent form of plastic packaging in our oceans and accelerated action is needed to phase out non-recyclable plastic packaging.
- 1.2 Use of single-use packaging materials, including coffee cups and plastic bottles, is growing and putting increasing pressure on local waste management services. WRAP's plastic market situation report 2016 estimated the UK produces around 2.2m tonnes of plastic packaging with only around half (or 900,000 tonnes) recycled. In the UK, around 825,000 tonnes of plastic bottles are produced a year. This leads to around 125,000 tonnes produced in London. Each year, Londoners buy around 1.2 billion single-use plastic bottles, and only one third of plastics is recycled in the home.
- 1.3 There is a significant opportunity to reduce London's waste bill and environmental impact if food waste and single-use packaging were to be cut.
- 1.4 This decision sets out the plans and outcomes for tackling single-use plastic water bottles, through the installation of water fountains, in partnership with Thames Water, and supporting a 'refill culture'. Water accounts for 37% of all drinks in plastic bottles, and most bottles are consumed out of the home and 'on the go', with research showing that an increase in refill points, and more accessible refill points, are key factors that would encourage people to use a reusable water bottle. A new network of publicly accessible water fountains, alongside other refill points, will therefore aim to help people break the habit of purchasing single-use plastic water bottles.
- 1.5 The programme will be funded out of the agreed £2.75m allocation in the Environment Team budget. An agreement was reached with Thames Water, and confirmed in a Memorandum of Understanding signed in September, that they would match £2.5m of this programme to provide a £5m fund for a new network of drinking water fountains across the capital (and that Thames Water would bear the cost of management and maintenance of the assets installed for 25 years, estimated at a cost of up to £22.5m).
- 1.6 The Mayor approved capital expenditure of £1,826,000 to Thames Water, and match-funded by them, as a contribution to the costs of the partnership project under cover of MD2630 in November 2018. Details of the expenditure proposed in this Decision is set out in the financial comments section 5 below but in summary it is proposed that:
 - Up to £308,000 of capital expenditure on the award to Thames Water of grant funding as a contribution to its costs of the purchase and installation of the fountains. This will take the total GLA capital contribution to the fountains partnership project with Thames Water to £2,134,00, helping maximise the number of fountains that can be installed in the network;
 - Up to £331,000 of revenue expenditure for fixed-term contract project management staffing (of which £93,000 of staffing costs have already been incurred), those posts having been approved by short-term assignment forms in May and September 2018 (STAFS 915 and 996); and
 - Up to £35,000 for monitoring and evaluation work to measure the impact and outcomes of the project.
- 1.7 The total £2.5m contribution from the Mayor will therefore be made up of £1.826m approved through MD2630 in November 2018, the £674,000 for which approval is being sought through this MD.

- 1.8 This £2.5m will be match-funded by Thames Water along with their commitment to manage and maintain the network of fountains for 25 years.

2. Objectives and expected outcomes

2.1 The Memorandum of Understanding with Thames Water has set out the following objectives:

- Increase access to tap (potable) water available to Londoners when 'on the go' reducing the environmental impact (including resource use and pollution) of single-use plastic bottles in London, particularly single-use plastic water bottles; and
- Boost awareness, understanding and engagement on the benefits and quality of tap water and the impact of single-use plastics, resulting in a cultural shift with Londoners carrying reusable bottles to fill up at fountains.

2.2 More specifically, the outputs and outcomes will be as follows:

Description	Outcome	Date
Delivery of at least 100 - 150 fountains through the partnership with Thames Water, to provide people in London with ready access to water 'on the go'.	Reduction in use of single-use plastics. Early data from the pilot programme suggests that fountains, in the summer, can potentially displace the equivalent of 8,000 bottles per month.	Procure (by Thames Water): Q4 FY18/19 Delivery Q1 FY19/20 – Q4 FY20/21
Monitoring and evaluation of the drinking fountains' usage and the effectiveness of associated campaigns.	A cultural shift so that carrying a reusable bottle, and using fountains and other refill points, becomes a behavioural norm.	Procure Q1/Q2 FY19/20 Delivery Q3 FY19/20 – Q4 FY20/21
Staffing to project manage installation plan and associated stakeholder relationships.	Fountains are installed on time and on budget.	Delivery Q4 FY18/19 – Q4 FY20/21

3. Equality comments

- 3.1 Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of 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.
- 3.2 The drinking fountains programme outlined in this MD stems from the policies and proposals in the London Environment Strategy which has been informed by a full Integrated Impact Assessment, including a consideration of equalities.
- 3.3 Projects delivered through the drinking fountains delivery programme will continue to engage as many Londoners as possible to help to meet the needs of people sharing protected characteristics under Section 149 of the Equality Act 2010.
- 3.4 Grant application processes will require a statement about the organisations' approach to equality and/or the submission of organisations' equality policies.

4. Other considerations

a) Key risks and issues

Risk	Likelihood	Impact	Mitigation
Cost for installation of fountains higher than forecast.	Medium	Low	Capped funding for costs of installation.
Programme slippage leads to installation delays.	Medium	Medium	Regular progress meeting with Thames Water and Steering Group, and clear shared understanding of delivery timeline. Twin-track activities where possible. Phase application selection and planning to expedite first installations.
Delivery programme overspend.	Low	High	Grant funding to Thames Water will be subject to execution of funding agreements capping GLA financial support, payments of which will be made retrospectively on delivery of working fountains. Each fountain's costs will first be approved by the project Steering Group and Sponsors' Board.
Installed fountains are not maintained/ cleaned adequately so are under-used.	Low	High	Agreement has been made with Thames Water that they have a long-term commitment to ensuring fountains are cleaned and maintained on a regular basis at their cost.
Public are unaware of fountain locations so are under-used.	Low	High	A parallel engagement plan will ensure a unified approach to 'refill on the go' is communicated to the public.
Mis-match between MoL and Thames Water objectives / ways of working.	Low	Medium	Ensure Partnership conforms to tight deliverables and governance through project Steering Group and Working Groups.
Fountains don't lead to reduction in single-use plastic bottle usage.	Medium	High	All fountains will have meters installed so usage can be monitored. A parallel engagement campaign will seek to maximise the profile of the fountains as they are installed, in tandem with M&E.
Negative publicity from slow installation rate, or poor maintenance/hygiene of fountains.	Medium	Medium	Project Plan to have a clear schedule of deliverables. Thames Water have committed to a regular cleaning programme, and fountains will have a 'contact us' number for public to raise cleaning etc concerns.
Planning permissions and/or Thames Water assessments delay installations.	Medium	High	Working through application process to identify sites not needing planning permission. Thames Water have agreed to mobilise team that will prioritise fountains installations, learning from ZSL programme.
Identified sites are all high cost, so reduces number than can be installed (a minimum range of 100 – 150 is anticipated at this stage) and risks value for money.	Medium	Medium	100-150 is an estimate at this stage. Sites will be reviewed by Thames Water and GLA and value for money sites prioritised as part of application assessment process. Project Steering Group and Sponsors' Board will carefully monitor costs and review to ensure that installations can be maximised.

b) Links to Mayoral strategies and priorities

London Environment Strategy

- 4.1 The drinking fountain programme will contribute towards the efficient and effective delivery of policies and proposals in the London Environment Strategy, specifically objective 7.1, to drive resource efficiency to significantly reduce waste, focusing on food waste and single-use packaging waste, and Proposal 7.1.1.b, to support campaigns and initiatives to cut the use of single-use packaging.

The New London Plan

- 4.2 The programme will also support delivery of Policy D7 Public Realm and Policy S17 Reducing Waste and supporting the Circular Economy.

5. Financial comments

- 5.1 Mayoral approval is sought for expenditure of £674,000 to support the drinking water fountains programme as part of the total £2.5m contribution from the Mayor.
- 5.2 MD2360 has already made an allocation for capital expenditure of £100,000 in 2018-19, £1,260,000 in 2019-20 and £466,000 in 2020-21, and this further capital and revenue contribution will support fountain installation until the final year of the project.
- 5.3 The capital element of the programme covers fountain purchase and installation costs, with revenue funding staffing and monitoring and evaluation. Capital funding will be subject to a strong governance framework, with expenditure only awarded to Thames Water on installation and with appropriate evidence of spend.
- 5.4 The table below provides a breakdown and profile from 2018-19 to 2020-21 of the £674,000 split between capital of £308,000 and revenue of £366,000.

	2018-19 (£000s)	2019-20 (£000s)	2020-21 (£000s)	Total (£000s)
Capital				
Partnership - fountains capex			308	308
Revenue				
Staffing (2 FTE, one Grade 8, one Grade 11)	93	138	100	331
Monitoring and Evaluation		15	20	35

- 5.5 The proposed capital expenditure of £308,000 will be funded by a revenue contribution to capital via the Plastic bottles programme revenue budget in 2019-20 and re-profiled into 2020-21.
- 5.6 Permission is being sought to approve revenue expenditure for two fixed-term contracts until the end of the project (March 2021) totalling £331,000 via the HOPS decision process. The positions were recruited in May and September 2018. In addition, £35,000 is being requested for monitoring and evaluation work to be carried out.
- 5.7 The expenditure will be funded from the Environment Team's Drinking Water Fountains revenue and capital programme budgets.

6. Legal comments

6.1 The foregoing sections of this report indicate that:

- 6.1.1 the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the statutory powers of the GLA to do such things as may be considered to further, or be facilitative of or conducive or incidental to the furthering of, the promotion of the improvement of the environment in Greater London; and
- 6.1.2 In formulating the proposals in respect of which a decision is sought officers have complied with the GLA'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, the Mayor 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, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

6.3 Should the Mayor be minded to make the decisions sought officers must ensure that:

- 6.3.1 a funding agreement is entered into and executed by the GLA and Thames Water before any commitment to the provision of the funding is made;
- 6.3.2 any works, services or supplies required by the GLA are procured in accordance with the GLA's Contracts and Funding Code in liaison with TfL Commercial who will determine the procurement strategy to be adopted and contracts are entered into and executed with the successful bidder(s) before the commencement of the same; and
- 6.3.3 the relevant HR/staffing approvals for GLA staff are obtained in accordance with all GLA protocols applicable.

6.4 To the extent that it is proposed that the activity and/or expenditure extends beyond the current Mayoral term officers must also ensure that agreements entered into in respect of the programme are on terms which do not fetter the discretion of any successor administration concerning the same, including termination for convenience provisions and severable milestones.

7. Planned delivery approach and next steps

Activity	Timeline
Award of funding announced Commence procurement Outreach to potential hosts (boroughs, landowners)	October 2018
Open/close applications	November - December 2018
Site assessments	December 2018 – December 2020
Installations	From end Spring 2019 – end March 2021

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? YES – until 1 May 2019

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:

Jamie Wallace has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

Shirley Rodrigues has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 25 March 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date 01.04.19

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

CHIEF OF STAFF:

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

Signature



Date 1/4/2019.

