

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2441

Title: Allocation of Business Low Emission Neighbourhood (BLEN) funding

Executive Summary:

The purpose of this Director Decision is to approve the allocation of grant funding to six successful Business Low Emission Neighbourhood applications, out of nine received. The successful projects have a total value of £4,003,000, of which £1,758,000 is provided through this grant funding and £2,245,000 in match funding. The LEAP Programme Board has endorsed the recommended projects.

Funding was secured for this programme under MD2495, with the reallocation of Cleaner Heat Cashback underspend to support further BLENs and air quality projects through Good Growth Fund Round 3. MD2495 delegated the approval of detailed allocations for BLENs to the Executive Director of Development, Enterprise and Environment in consultation with the LEAP. Established GLA performance management processes will be used to track delivery and impact.

Decision:

That the Executive Director of Development, Enterprise and Environment approves:

Allocation of grant funding to six recommended Business Low Emission Neighbourhood proposals with a total value of £1,758,000. The proposals and respective funding requests are listed below:

- Love London Road, Love Clean Air – London Road Healthy High Street Project (London Borough of Croydon) £325,000;
- Tower Hamlets Town Centres and Markets (London Borough of Tower Hamlets) £350,000;
- Ley Street Business Low Emission Neighbourhood (London Borough of Redbridge) £250,000;
- North End Road Business Low Emission Neighbourhood (London Borough of Hammersmith and Fulham) £250,000;
- Thesally Road Business Low Emission Neighbourhood (London Borough of Wandsworth) £333,000; and
- Leytonstone Business Low Emission Neighbourhood (London Borough of Waltham Forest) £250,000.

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: Mary Harpley

Position: Chief Officer (signed on behalf of the Executive Director for Development, Enterprise and Environment)

Signature:

Date:

07/01/2020

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Lower than expected take-up in the Cleaner Heat Cashback Scheme, launched in July 2018, resulted in funding being available for re-distribution. As a result, MD2495 approved:
 - reducing the existing £9 million capital budget for the CHC scheme to £0.5 million to deliver against existing CHC commitments and allow for a smaller number of new businesses to benefit between now and end of March 2020; and
 - reallocating £8.95 million of funds from the CHC scheme (£8.5 million capital funding and £0.45 million revenue funding) to other air quality and environmental Good Growth Fund (GGF) projects. Of that £8.95 million:
 - a. repurposing £2 million funding to the Business Low Emissions Neighbourhood (BLEN) Air Quality Scheme, with £450,000 of this as revenue and £1,550,000 as capital; and
 - b. repurposing £2.95 million capital funding for general projects in GGF Round 3, and £4 million capital funding for air quality-focused projects within GGF Round 3.
- 1.2. MD2495 delegated authority to the Director to approve expenditure on these schemes.
- 1.3. In order to deliver environmental, economic and health benefits, and build on the successful Low Emission Neighbourhood programme, on 12 June 2019 the LEAP Board endorsed a recommendation that £2 million (£1,550k capital, £450k revenue) be allocated to fund successful Business Low Emission Neighbourhood (BLEN) applications.
- 1.4. Due to the limited time available, it was agreed that applications received as part of the last round of the Mayor's Air Quality Fund for Low Emission Neighbourhoods (LENs) could be repurposed. This application process was heavily oversubscribed, and a number of good quality applications were unsuccessful. This provided nine fully scoped and match funded projects that were updated to increase their focus on supporting business/business areas and be turned into BLENs applications from which the final successful BLENs were chosen.
- 1.5. The reallocation of £2 million funding for the Business Low Emission Neighbourhood programme provided support for up to an additional 10 BLENs
- 1.6. Now we have received the applications it has become clear that we need less revenue funding than anticipated. This £450,000 will now be used in the following ways:
 - up to £200,000 will be used to fund consultancy staff support to help deliver the BLENs and GGF AQ projects, as agreed in MD2495;
 - up to £42,000 to be used to support the roll out and oversight of monitoring equipment and analysis; and
 - the remaining £208,000 to be added to the capital grant funding for the 6 selected BLENs – this forms part of the £1,758,000 detailed above. The BLENs are providing revenue funded elements as match.
- 1.7. In addition, there is also £29,391 in capital underspend from the £1 million that was allocated for the first Business Low Emission Neighbourhoods in 2017. This underspend will be used to fund monitoring equipment to help assess the impact of the BLENs.
- 1.8. The LEAP Programme Board endorsed the recommended projects on 23 December 2019.

2. Objectives, expected outcomes and deliverables

- 2.1. A detailed breakdown of the nine BLEN applications (6 approved, 3 rejected), including a summary of project aims, key deliverables and funding is provided at Appendix A.
- 2.2. The BLEN schemes will:
- result in demonstratable reductions in air pollution emissions, concentrations and exposure;
 - encourage and support organisations, including businesses, to reduce emissions from their own operations, thereby reducing energy and fuel costs, and enhancing reputations and public relations opportunities for SMEs;
 - enhance public realm for walking and cycling in town centres, and business and retail areas, thereby enhancing their attractiveness for visitors and staff; and,
 - provide support and a stepping stone for these areas to become demonstrator locations for cleaner vehicles, and/or zero emission zones.
- 2.3. The expected outcomes of the BLENS are:
- reduced pollution emissions and exposure;
 - increase in walking and cycling; and
 - increase in take up of electric vehicles.
- 2.4. The aim of BLENS is ultimately to see measurable improvements in air quality. There is no one size fits all approach to monitoring and each bid has been assessed on an individual / site by site basis.
- 2.5. Impacts seen in previously delivered Low Emission Neighbourhoods provide an indication of the type of expected impacts from the next round:
- a 16 per cent reduction in older diesel cars parking in the Marylebone LEN (with no discernible displacement of these vehicles to nearby areas);
 - a decrease in nitrogen dioxide concentrations at most monitoring stations within the Barbican LEN, as a result of interventions such as the installation of 30 EV charge points, 19 air quality gardens, a pocket park and 200 secure cycle spaces; and
 - a shift in commuting and freight behaviour as a result of the Hackney, Islington and Tower Hamlets Zero Emission Neighbourhood, with 788 more people walking and 2,333 more cycling to work. Fourteen fossil fuelled vehicles have been replaced by cargo bikes, and six by electric vehicles.
- 2.6. Bidders considered the scale of the overall project and the expected air quality outcomes when choosing the appropriate evaluation equipment and methodology. It was expected that the cost of monitoring should be in reasonable proportion to the overall project cost. However, following evaluation of the bids, to improve the monitoring of impacts from the BLENS some funding will be used to support enhanced monitoring capacity, including by utilising the Breathe London network. In addition, it was expected that projects would include a range of proxy metrics such as percentage increases in walking and cycling; percentage of business uptake of electric / ultra-low emission vehicles; number of businesses engaged in a freight consolidation programme; shift in business and resident attitudes (measures through surveys). Emissions and concentration models, if provided, were also used in the evaluation stage.

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. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (all except the last being “relevant” protected characteristics).

- 3.2. The GLA has published an analysis on exposure to air pollution undertaken by consultants at Aether which shows that there are significant health impacts from pollution. The report demonstrates that the way these fall on the most vulnerable in our society means that improving air quality is fundamentally about tackling social injustice.
- 3.3. The report considers pollution exposure in London in 2013 and considers how exposure varies by age, indicators of relative deprivation and ethnic groups in London. It also looks at total exposure (broken down by borough) and exposure at schools.
- 3.4. The research shows on average that the most deprived tenth of the population are exposed to concentrations of NO₂ which are 25 per cent higher than the least deprived tenth of the population. It is important to note that hidden within this there are also pockets of wealth with very high levels of exposure, e.g. those living in Westminster or in Royal Borough of Kensington and Chelsea.
- 3.5. In terms of ethnicity, whereas there is a normal distribution of exposure for white people, the pattern shows increasing exposure in areas that have higher percentage of non-white ethnic groups, with a particularly skewed distribution for the Black/African/Caribbean/Black British population. A greater proportion of mixed, black and other ethnic groups are exposed to levels of pollution that exceed the NO₂ limit value than their proportion of the total population.
- 3.6. The design of the policies set out in this MD will benefit all Londoners but given the unequal impacts of pollution on the most vulnerable Londoners (including those with protected characteristics under the Act), this programme of activity is likely to have a positive effect in tackling social and health inequality, and is therefore likely to advance equality for those sharing a protected characteristic and foster good relations between them.

4. Other considerations

- 4.1. An assessment of risks relative to the BLEN programme is provided below.

Risk	Probability (out of 4)	Impact (out of 4)	Rating	Mitigation
Risk of Business LENS not being delivered in time	1	2	G	This will be mitigated through: selection of suitable deliverable measures based on our experience with the existing LENS and BLENs; close project management (consultancy support approved through MD2495 has been obtained to facilitate this); and clear communication of timelines and restrictions to project partners.
Business LENS don't focus on business needs/areas with high existing or potential retail/commerce opportunities	1	1	G	This will be mitigated thorough: selection of only the suitable shortlisted applications and close communication with boroughs to select the key business-enhancing measures; and clear project scopes outlined in funding agreements.

4.2. There are no recorded conflicts of interest.

5. Financial comments

5.1 Approval is sought to allocate £1,758,000 of grant funding to six recommended BLEN proposals, as set out below:

- Love London Road, Love Clean Air – London Road Healthy High Street Project (London Borough of Croydon) £325,000;
- Tower Hamlets Town Centres and Markets (London Borough of Tower Hamlets) £350,000;
- Ley Street Business Low Emission Neighbourhood (London Borough of Redbridge) £250,000;
- North End Road Business Low Emission Neighbourhood (London Borough of Hammersmith and Fulham) £250,000;
- Thesally Road Business Low Emission Neighbourhood (London Borough of Wandsworth) £333,000; and
- Leytonstone Business Low Emission Neighbourhood (London Borough of Waltham Forest) £250,000.

5.2 Funding was initially secured for this programme under MD2495, with the repurposing of £2 million (The LEAP Board endorsed a recommendation that £1,550,000 capital, £450,000 revenue) of Cleaner Heat Cashback underspend to support further BLENs and Air Quality projects through the Good Growth Fund Round 3.

5.3 It is proposed that the repurposed £1,550,000 capital element is increased by £208,000 to £1,758,000 via converting revenue to capital in addition to that already approved via MD2495.

5.4 These proposals will generate £2,245,000 in match funding from the boroughs, already committed through the preceding Low Emission Neighbourhood scheme.

5.5 The indicative phasing of the grant funding follows:

Project	2019 – 20	2020 - 21	2021 - 22	Total
BLEN Grant Funding	£40,000	£400,000	£1,318,000	£1,758,000

6. Legal comments

6.1. The foregoing sections of this report indicate that the decisions requested of the Executive 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 under sections 30 and 34 of the GLA Act 1999 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; and
- consult with appropriate bodies.

6.2. In taking the decisions requested of them, the Executive 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 Executive Director should have particular regard to section 3 of this report.

- 6.3. The funding is by way of grant to the recipients and does not involve the procurement of services by the GLA. Officers must ensure that appropriate contractual (grant) documentation be executed by both the Authority and the relevant contractor prior to the commencement of the funding.
- 6.4. Any function exercisable by the Executive Director on behalf of the GLA may also be exercised by a member of staff albeit subject to any conditions, which the Mayor sees fit to impose. To that end, the Executive Director may make the requested delegations to the Assistant Director Environment, if she so chooses.

7. Planned delivery approach and next steps

- 7.1. The next steps following consideration by the Board/Committee are summarised below:

Activity	Timeline
Mayoral Announcement	14 January 2020
Delivery Start Date	January 2020
Final evaluation start and finish (self/external)	Summer/ Autumn 2022
Delivery End Date	April 2022
Project Closure	April 2022

Appendices and supporting papers:

Appendix A – Summary of Business Low Emission Neighbourhood Proposals

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? YES

If YES, for what reason: To enable the Mayor to announce the successful BLEN applications.

Until what date: An announcement is expected on 14 January 2020.

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:

Poppy Lyle has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Aram Wood, Assistant Director 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 6 January 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Allen

Date

6.1.20

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