

## REQUEST FOR DIRECTOR DECISION – DD2054

### Title: Developing a Strategic Infrastructure Investment Programme for London

#### Executive Summary:

This Director Decision has been prepared to seek approval to develop a Strategic Infrastructure Investment Programme for London, in order to better prioritise infrastructure investment throughout the Capital, increase certainty and provide an evidence base to support investment and planning decisions.

The project will build upon work undertaken developing the London Infrastructure Plan 2050, and will provide a single programme view of London's infrastructure requirements that is responsive to future challenges and opportunities. Currently there is no mechanism that allows for infrastructure investments to be prioritised or assessed in relation to each other, which compromises London's ability to secure the investment in infrastructure it requires and plan for growth effectively. This programme will seek to address this gap, and will respond to stakeholder requests that such a programme is developed.

The project will be supported by strong engagement with London's infrastructure community, and will involve development of two working groups to ensure the project meets stakeholder requirements. In order to support development of the programme, a budget of £100,000 is required, which will be directed towards technical support and advisory services. This budget is available under the Infrastructure Investment Plan budget allocated for 2016/17.

#### Decision:

The Executive Director approves the:

1. Development of a Strategic Infrastructure Investment Programme for London; and
2. Expenditure of £100,000 from the Infrastructure Investment Plan 2016/17 budget to secure technical input and advisory services to develop the programme.

#### 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: Fiona Fletcher-Smith

Position: Director, Development, Enterprise & Environment

Signature: 

Date: 18.10.2016

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

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

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

- 1.1. London is growing and has substantial capital investment requirements to meet the demand presented by growth over the medium and long term.
- 1.2. In 2014, the GLA released the London Infrastructure Plan 2050 (MD 1294); the first time such a plan had been developed for the Capital. The plan acts as a strategy document highlighting the scale of London's infrastructure challenges and options for resolving these challenges; however it does not prioritise investment or develop a programme for delivery, presenting challenges for coordination, funding and planning. As such there is a need to develop a mechanism or process that will allow for projects to be appraised relative to each other to ensure that projects are committed to which meet strategic goals and benefit London.
- 1.3. It is therefore proposed to develop a Strategic Infrastructure Investment Programme for London (SIIP), which considers projects across the key infrastructure sectors. Such a programme will be responsive to the challenges London faces – population growth, competition from other global cities and environmental threats which could undermine the economy and/or quality of life. The programme will also contribute to an evidence base that will support opportunities presented by potential fiscal devolution and increased Government spending on infrastructure in the wake of the EU referendum result. Development of such a programme is also supported by stakeholders, who view it as a natural progression from the London Infrastructure Plan.
- 1.4. To support development of the SIIP it is proposed to allocate £100,000 from the Infrastructure Investment Plan Budget within the Economic Business Policy Unit (Development, Enterprise and Environment Directorate) to secure technical input and advisory services. Budget is available to commit to this project. Such services are necessary in order to deliver the project in a timely manner and develop a robust methodology to undertake the assessment that meets the Mayor's requirements and those of stakeholders involved in delivering London's infrastructure. The proposed budget has been identified based on a review of previous services provided in developing the London Infrastructure Plan and associated pieces of work.
- 1.5. The SIIP will also be supported by the establishment of two working groups. A technical advisory group, made up of leading infrastructure experts from across the field, and a utility working group, made up of London's infrastructure providers across the key sectors.
- 1.6. It should be noted that the intention is for the programme to focus on the same sectors which the London Infrastructure Plan covered: water, energy, digital, transport, waste and green infrastructure; due to the importance of these sectors in supporting land use. Separate processes are underway within the GLA targeting social infrastructure such as schools, health and cultural infrastructure.

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

- 2.1. Development of the SIIP will serve a number of purposes – it will help to align investment decisions and increase certainty, and will provide an evidence base that better positions the Mayor to secure the investment in infrastructure that London requires to remain a successful and competitive global city.
- 2.2. The SIIP will provide a mechanism through which infrastructure investment proposals can be assessed against baseline criteria. This criteria will be developed with input from London's infrastructure providers and an expert advisory group, and provide a robust process that allows for investment to be appraised on a level playing field (rather than a first come, first served basis).

2.3. The SIIP will allow for projects to also be considered on a strategic or interconnected basis. The SIIP will allow for packages of infrastructure investment to be identified to support growth, and reduce the likelihood of stranded assets or housing being delayed by infrastructure deficits. Identification of such packages of investment will support land use planning in the capital, including the review of the London Plan, and support prioritisation of the opportunity areas and other growth locations.

2.4. A final programme will be used as a piece of evidence to support certainty regarding growth and arguments for increased investment in infrastructure from Government and/or through the regulatory process. It will also act as an evidence base to support the Mayor's push for fiscal devolution.

2.5. Data collected on future infrastructure projects will be included in the London Infrastructure Mapping Application.

### 3. Equality comments

3.1. The SIIP will deliver improvements in how infrastructure investment is planned and prioritised in the capital, which will have benefits for all Londoners, including those with a protected characteristic.

3.2. The SIIP will be responsive to Mayoral priorities, including social inclusion and fairness (these could be included as part of the assessment criteria being developed), and a social inclusion expert will be included on the advisory group supporting this project.

### 4. Other considerations

#### 4.1 Key risks and issues analysis

Risk/issue	Impact	Mitigation
Lack of support from utilities, particularly in terms of providing data input and technical advice.	High (timeline, accuracy, endorsement, political)	<ul style="list-style-type: none"> <li>• Pre-engagement meetings</li> <li>• Identify benefits</li> <li>• Develop an alternative approach</li> <li>• Recognise the differences between utilities</li> <li>• Establish utility working group</li> </ul>
Irreconcilable views about the approach/methodology by Advisory Group	Medium (timeline, endorsement)	<ul style="list-style-type: none"> <li>• Clarify requirements and challenge from the start</li> </ul>
Too complex assessment framework	Medium (timeline, cost)	<ul style="list-style-type: none"> <li>• Agile approach</li> <li>• Clarify requirements from the start</li> </ul>
Mayor will be criticised for failing to deliver the infrastructure on the programme	Medium (political)	<ul style="list-style-type: none"> <li>• Engagement strategy to ensure that stakeholders are aware this programme extends beyond the Mayor's funding and delivery remit.</li> </ul>
Consultants fail to deliver project to satisfaction of GLA and stakeholders	Medium (timeline, endorsement, cost)	<ul style="list-style-type: none"> <li>• GLA will have close working relationship with consultant and contractual provisions will provide protection of interests</li> <li>• SIIP will be an agenda item at future Growth Board meeting</li> <li>• Consultant will be invited to participate on working groups.</li> </ul>

4.2. Outputs from the SIIP will inform Mayoral strategy development, and development of this programme is early enough in the strategy development cycle to ensure that recommendations can be integrated into strategies.

## **5. Financial comments**

Approval is being thought for the allocation of £100,000 from the Infrastructure Investment Plan 2016/17 to secure technical input and advisory services to develop the Strategic Infrastructure Investment for London programme, as underlined in the body of this report.

The funds will be available from the Infrastructure Investment budget held under WBS GE.0382.002 within the Economic Business Policy Unit (DE&E Directorate) and all associated costs will be charged to this code.

It should be noted that any changes to this proposal, including budgetary implications will be subject to the Authority's decision-making process.

## **6. Legal comments**

6.1 The foregoing sections of this report indicate that:

6.1.1 the proposals in respect of which the Director's approval is sought may be considered to fall within the GLA's powers to do such things as are facilitative of or conducive to the fulfilment of its principle purposes;

6.1.2 in formulating the proposal 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 health of persons, health inequalities between persons and to contribute towards achievement of sustainable development in the United Kingdom; and
- (c) consult with the appropriate bodies.

6.2 In taking the decisions requested, 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.

6.3 Officers must ensure that:

6.3.1 the services required are procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code and appropriate contract documentation is put in place and executed by the GLA and providers before the commencement of such services; and

6.3.2 appropriate steps are taken, by way of the SIIP Advisory Group terms of reference and such other measures as are considered necessary to mitigate and manage risks of any perceived conflicts of interest of any member of the SIIP Advisory Group arising.

## **7. Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
Procurement activity and project planning	October 2016
Announcement	October 2016
Formal Start Date – consultant hired	October 2016
First utility working group meeting	November 10 2016
Final evaluation start and finish	February 2017
Delivery End Date	February 2017
Project Closure	March 2017

### **Appendices and supporting papers:**

- A. Project brief for the SIIP (draft)
- B. Terms of Reference for the advisory group (draft)

**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**

Wait until procurement process is finalised and tender awarded – publication beforehand may impact the competitiveness of the procurement process.

Until what date: 20 November 2016

**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:**

Andrew McMunnigall has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service:**

Jeremy Skinner has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Financial and Legal advice:**

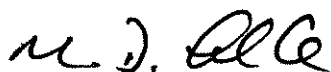
The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature



Date

18.10.16