

# GREATER LONDON AUTHORITY

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2179

### Title: Co-benefits assessment of London's climate actions

#### Executive Summary:

To support both the development of evidence for the Environment Strategy and alignment with the goals of the Paris Agreement, the GLA plans to complete a co-benefits assessment of London's climate actions.

The proposed assessment will review the wider social, economic and environmental benefits of all climate actions to put London on track to meeting the Mayor's target for a zero carbon city by 2050. These actions will be linked back to local issues and priorities (e.g. health benefits, job creation, air quality improvements, reducing flooding risk, equality impacts etc.). Benefits will be quantified to help prioritise actions and articulate the business case for action delivery.

Procured and managed by the GLA, the project will be fully funded by LEAP (London Economic Action Partnership). UK Government Department for Business, Energy & Industrial Strategy (BEIS). Grant funding will be provided to LEAP (via the GLA as LEAP's Accountable Body) as part of the Energy Strategy Support for Local Enterprise Partnerships. The funding will be spent in full during the current financial year (2017-18).

The findings of this project will support the GLA in finalisation of the London Environment Strategy and help achieve greater alignment of the wider strategy with the goals of the Paris Agreement. It will also complement the evidence base being developed by BEIS with opportunities for the output to be used more widely across the country.

#### Decision:

That the Assistant Director approves the spend and income of up to £40,000 associated with the receipt of funding from BEIS and procurement and appointment of consultants to quantify the co-benefits of London's climate mitigation and adaptation actions.

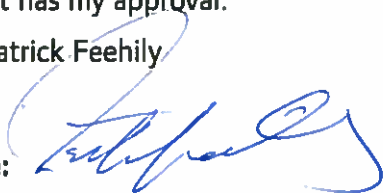
#### AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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:** Patrick Feehily

**Position:** Assistant Director - Environment

**Signature:**



**Date:**

9/1/2018

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

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

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

- 1.1. The 2006 Stern Report found that the economic damage caused by climate change has the potential to account for between five and ten per cent of global GDP each year; but cutting carbon emissions would reduce this to one per cent. Over a decade has passed since the Stern Report but the costs of not acting to mitigate climate change have risen while the costs of cutting carbon have fallen. Instead of viewing decarbonisation as a cost, it should be seen as an opportunity. As countries around the world strive to decarbonise their economies, a failure to move towards low carbon products and services could harm economic growth.
- 1.2. Actions taken to make London a zero carbon city by 2050 will have wider impacts on health, equality, air quality, employment, economic growth and productivity. Decisions made now will also affect the costs required to adapt to climate change impacts, particularly increased temperatures and risk of flooding, by 2050. The costs and benefits of these decisions have not previously been quantified.
- 1.3. The draft London Environment Strategy and supporting documents describe general benefits resulting from some climate actions, including health benefits from green infrastructure, and economic benefits from woodland and waste action. The impact of these actions and their environmental interdependencies have yet to be fully assessed and financially quantified.
- 1.4. To better articulate these benefits an assessment is required to holistically cover the wider social, economic and environmental benefits of all climate actions, linking these actions back to local issues and priorities (e.g. health benefits, equality impacts, job creation, air quality improvements, etc.). These benefits will be quantified to articulate the business case for action delivery. Where possible, the relevant quantified benefits will be used to help prioritise actions.

#### **2. Grant funding**

- 2.1. This decision includes the approval of funding from the UK Government Department for Business, Energy & Industrial Strategy (BEIS) as part of the Energy Strategy Support for Local Enterprise Partnerships.
- 2.2. A grant of £40,000 is being offered to the Greater London Authority under Section 31 of the Local Government Act 2003 (No 31/3138).
- 2.3. The grant is offered to support the GLA project specification “Co-benefits assessment of London’s climate actions” as agreed by email correspondence dated October 2017.
- 2.4. The grant is offered subject to compliance with EU law relating to state aid under Article 107 of the Treaty on the Functioning of the European Union.
- 2.5. In the event that not all of the grant is used in accordance with the GLA’s application BEIS expects the LEP to work with it to agree how any unspent funding will be spent in line with the objectives of the BEIS Energy Strategy Support. If such an agreement is not reached after reasonable efforts, BEIS expects the unspent grant to be repaid.

2.6. The grand funding has been offered to all Local Enterprise Partnerships (LEPs) in England including the Greater London Authority LEP. The full value of the grant is £1,000,000 will be split across 23 participating areas.

2.7. Grant funding will be provided to LEAP (London Economic Action Partnership) via the GLA as LEAP's Accountable Body.

### 3. Objectives and expected outcomes

3.1. GLA-commissioned consultancy advice would establish the cost and/ or social return on investment of different options for climate action associated with the draft London Environment Strategy. This will support the business case for action delivery.

3.2. This work will also complement the evidence base being developed by BEIS with the opportunities for the output being used more widely across the country. The findings of this project will support the finalisation of the London Environment Strategy and help achieve greater alignment with the goals of the Paris Agreement.

### 4. Equality comments

4.1. The evaluation process will be conducted to ensure that submissions are evaluated fairly to select the offer that provides the relevant experience and offers value for money.

4.2. Impact of policies on equality considerations will be explicitly taken into account as a co-benefit being considered in this study.

### 5. Other considerations

#### a) High level risks

Risk description	Mitigation actions
The tasks and outputs set out in the GLA specification are not fully compliant with the requirements of the BEIS funding agreement.	GLA specification and outputs agreed with BEIS and confirmed by email.
Lack of robust evidence base to draw meaningful conclusions.	Where a lack of quantitative data is available to allow a full cost assessment of co-benefits, social return on investment will be used as an alternative metric.
Work is not completed in sufficient time to be published alongside the final London Environment Strategy	Project deadline has been set to align with the Environment Strategy consultation response period and strategy finalisation
Conclusions of the assessment may challenge existing Mayoral priorities and the Environment Strategy policies.	All work will be completed ahead of the final publication of the Environment Strategy to allow for update where necessary. Impact of no action will be quantified to set all costs in the context of the risk.

b) This research links to the Mayor's draft Environment Strategy and a zero carbon London by 2050 ambition.

## 6. Financial comments

- 6.1. Assistant Director's approval is sought for the GLA to receive £40,000 from Department for Business Energy and Industrial Strategy (BEIS) under LEAP (London Economic Action Partnership) funding for Energy Strategy Support. Approval is also being asked to spend £40,000 for the procurement and appointment of consultants to quantify the co-benefits of London's climate mitigation and adaptation actions. This is to be fully funded by a grant from BEIS and will be spent in 2017-18.

## 7. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	January 2018
Contract awarded	January 2018
Delivery End Date	End March 2018

**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? NO**

**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:**

Chris Grainger has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.


**Corporate Investment Board:**

The Corporate Investment Board reviewed this proposal on 8 January 2018.

**HEAD OF FINANCE AND GOVERNANCE:**

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

**Signature:**



**Date:**

08.01.18

