

REQUEST FOR MAYORAL DECISION – MD1314

Title: Clean Air Fund – European funding and other arrangements

Executive Summary:

In September 2012 the Mayor approved the Clean Air Fund (CAF) 2 budget. The GLA has now secured £167,000 in additional funding to support the delivery of these and related programmes from the Joint Air Quality Initiative (JOAQUIN) project, funded by EU INTERREG IVb North West Europe. This MD approves the GLA joining JOAQUIN, supporting arrangements and sets out how the additional funding will be used.

Decision:

That the Mayor:

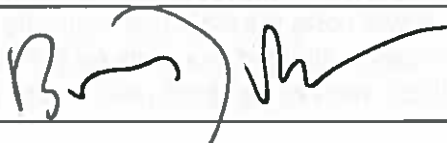
1. Approves the GLA joining the Joint Air Quality Initiative (JOAQUIN), with GLA as lead partner for the London bid, and authorises the GLA to receive Euro200,000 (£167,000) from JOAQUIN as match-funding;
2. delegates authority to the Executive Director for Development, Enterprise and Environment to take all steps necessary to deliver the approved programme, including revisions to the proposed budget allocations, as appropriate, within the overall amount approved and approving the receipt of and allocating any additional funding awarded by JOAQUIN;
3. authorises the GLA to receive and pass on funding of up to Euro 53,385 (£43,913) on behalf of the airTEXT consortium over the same period;
4. recommends that the Head of Paid Service approve the creation of a one year fixed term Grade 8 post (funded through JOAQUIN) to support the delivery of CAF programmes, the GLA's participation in the JOAQUIN project and other air quality related matters; and
5. authorises GLA officers to procure specialist accountancy consultancy support to fulfil the "First Level Control" requirements for INTERREG funding.

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:

7 FEB 2014

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

Decision required – supporting report

1. Introduction and background

Context

- 1.1 London continues to face a significant air quality challenge with considerable impacts on the health and quality of life of Londoners, especially the old and young. While the driver for improving air quality in London is to help address these health impacts, it is also important to note that the latest compliance report submitted to the European Commission by Defra concluded that while London is now meeting the daily and annual EU limit values for PM10, we are the only UK zone that does not meet the Stage 2 PM2.5 annual limit value (to be met by 2020). We are one of two UK zones (with South East [Oxford]) not to meet the hourly EU limit value for NO₂ and one of 34 zones not to meet the annual EU limit value for NO₂. The deadline for meeting NO₂ limit values was 2010 and it is increasingly likely the European Commission will shortly commence infraction proceedings against the UK Government.

What is JOAQUIN?

- 1.2 JOAQUIN is an EU-funded cooperation project supported by the INTERREG IVB North West Europe programme. The aim of the project is to support health-oriented air quality policies in Europe. To achieve this, the project provides policy makers with information on the regional air pollution situation (e.g. measurements of emerging health relevant pollutants) and provides them with evidence to support the implementation of best-practice measures to strengthen current air quality policies.
- 1.3 JOAQUIN has 11 partners from Belgium, The Netherlands, France and the UK, including: Flemish Environment Agency (Belgium), City of Antwerp (Belgium), IRCEL (Belgium), Flemish Agency for Care and Health (Belgium), Ecole des Ingénieurs de la Ville de Paris (France), Public Health Service of Amsterdam (Netherlands), National Institute for Health and the Environment (Netherlands), Energy Research Centre of the Netherlands (Netherlands), University of Brighton, University of Leicester and Leicester City Council.

Funding

- 1.4 JOAQUIN's focus on public health and sharing best practice about high impact regional measures in broadly comparable cities was a good fit with the Mayor's strategic objectives for air quality, as set out in his Mayor's Air Quality Strategy. Accordingly, working with the airTEXT consortium (which comprises all the London boroughs), the Greater London Authority submitted a joint London bid to join JOAQUIN in early 2013.
- 1.5 As part of the bid, it was necessary for the Greater London Authority to provide 50% match funding. The £200,000 IPB had already allocated for the Clean Air Fund 2 programme in 2012/13 was identified for this purpose and accepted as eligible match-funding by the JOAQUIN project. Consequently, JOAQUIN has now allocated Euro 200,000 (£167,000) to support the delivery of JOAQUIN-relevant CAF2/3 projects, staff time, travel costs for participating in the JOAQUIN project and to cover financial audit costs. This money is claimed in arrears on the submission of receipts, invoices and other evidence of expenditure and can be spent until end of the 2014/15 financial year.
- 1.6 As the lead partner of the London bid, the GLA will also be the conduit for funding for the airTEXT consortium (hosted by the London Borough of Islington). As a result the GLA will receive a further Euro 53,385 (£43,913) for airTEXT, which it will allocate through grant direct to the London Borough of Islington.

- 1.7 To fulfil the auditing requirements of the INTERREG programme, the GLA will have to contract accountants to provide "First Level Control" audit capacity.

Potential JOAQUIN underspend and additional resources for the GLA

- 1.8 The GLA has also been advised by the JOAQUIN project that they may have an underspend which could be allocated to existing GLA projects which have received match-funding through the Mayor's Air Quality Fund or other sources. IPB approved delegating approval for the receipt of any additional funding and approval of the detailed arrangements to the Executive Director of Development, Environment and Enterprise.

2. Objectives and expected outcomes

- 2.1 The total income the GLA will claim from the JOAQUIN project is set out below. The expectation of the JOAQUIN funding is that it provides additionality over and above the GLA's originally planned activities. As part of the application process the GLA had to agree which projects and activities would receive additional funding. There is not the flexibility to reallocate the funding to cover other planned costs or to substitute for GLA expenditure on air quality projects in future years.
- 2.2 In identifying additional opportunities, the same principles as for Clean Air Fund 2 were applied, with an emphasis on obtaining match-funding for additional projects. This was obtained for the Cleaner Air Zones at Schools project (match-funding from Southwark) and for the Cleaner Air Champions (match-funding in kind from Sustrans). The Breathe Better Together campaign has already secured match funding from Defra, boroughs, airTEXT and the Mayor's Air Quality Fund. The City of London is now keen to join the programme to deliver a specific summer events communications programme and the JOAQUIN funded is intended to part-match the City of London contribution of circa £70,000.

a) Additional funding for Clean Air Fund 2/3 projects

Project	Existing GLA funding	Proposed JOAQUIN funding allocation	Why additional funding proposed	Expected outcomes
Cleaner Air Zones at Schools	£100,000 for seven schools in City, Camden, Hillingdon and Royal Borough of Kensington and Chelsea.	£25,000	Air quality at schools is a high profile issue. Southwark has approached us with a proposal for Clean Air Zones at two schools with them match-funding the GLA/JOAQUIN contribution.	Expected to reduce exposure of up to 600 children as well as deliver against energy efficiency objectives.
Cleaner Air Champions	£35,000 for initial trial in Havering, Redbridge and Hackney	£15,000	The initial Cleaner Air Champions project was focused on a North-East corridor linking Havering, Redbridge and	A further 10 champions obtaining 750 direct beneficiaries who will be informed about air pollution, key resources (e.g. airTEXT) and about what they can do to

Project	Existing GLA funding	Proposed JOAQUIN funding allocation	Why additional funding proposed	Expected outcomes
			Hackney. The Hackney pilot was especially effective as a result of the socio-demographic characteristics of the area. Our project delivery partner (Sustrans) are keen to expand and refine the approach in inner London and match-funding is available to extend the pilot to Islington.	reduce emissions/exposure.
Breathe Better Together (formerly Campaigns Days) / public communications project	£25,000 with match-funding from Defra, boroughs, airTEXT and Mayor's Air Quality Fund	£25,000	<p>Breathe Better Together is a "Get Ahead of the Games" style social media and marketing campaign designed to raise awareness about air pollution and encourage behavioural change.</p> <p>City of London Corporation have asked to join Breathe Better Together and coordinate series of launch activities and events to promote awareness about air pollution, information and resources available as well</p>	Direct engagement about air pollution and promotion of low exposure routes to 2,500 workers/residents in central London plus wider awareness raising amongst other Londoners.

Project	Existing GLA funding	Proposed JOAQUIN funding allocation	Why additional funding proposed	Expected outcomes
			as to minimise exposure by promoting "low pollution" routes. This fulfils certain requirements of the JOAQUIN funding, including hosting and promoting a mobile monitoring centre and having a high profile public communications campaign.	
Barts NHS Trust air quality and public health project	£25,000	£10,000	The additional £10,000 will fund the development of a specialist toolkit which will enable the lessons from the project to be disseminated to other hospital trusts, public health professionals and medical service providers.	A small project to support the further integration of air quality into the public health sector, either through or by building on the existing partnership the GLA has with the Barts NHS Trust to raise awareness amongst 1,000 vulnerable Londoners using health services (e.g. respiratory clinics).
Wrapping of 10 air quality monitoring stations in high profile locations as part of awareness raising campaign about what air quality monitoring is for and where members of the public can find AQ data/airTEXT	£0	£10,000	This is part of the JOAQUIN communication workstream, including hosting and promoting a mobile monitoring centre and having a high profile public communications campaign.	Increased awareness about air pollution and information sources. Supporting Cleaner Air for London website which has expectation of 20,000 unique visitors in first year.

Project	Existing GLA funding	Proposed JOAQUIN funding allocation	Why additional funding proposed	Expected outcomes
etc				
Contribution to Cleaner Air for London / Breathe Better Together website set-up/running costs	£15,000 (plus borough contributions)	£7,000	This additional funding will cover ongoing running costs of the website as well as development of specific Breathe Better Together campaign resources.	High quality one-stop shop for information on air quality in London, including monitoring data, in fulfilment of a Mayor's Air Quality Strategy commitment. Expectation of 20,000 unique visitors in first year.
Sub-total	£200,000	£92,000		

b) Staffing costs (to be taken from JOAQUIN funding)

Project	Proposed JOAQUIN funding allocation	Expected outcomes
Fixed term contract for Band 8 FTE for 1 year	£60,000 (includes other costs, e.g. NI, pension etc)	Reimbursed staff time for participating in JOAQUIN project. Supports Mayor's broader objectives for air quality by increasing staffing from 1 FTE to 2.
Sub-total	£60,000	

c) Administrative costs (to be taken from JOAQUIN funding)

	Proposed JOAQUIN funding allocation	Expected outcomes
Travel for Reference Board meetings	£10,000	Raising profile of London's activities to improve air quality with senior European decision-makers and partners. Opportunity to learn from best practice and trial of new measures to improve air quality.
Auditing costs	£5,000	Necessary requirement for being able to claim money from JOAQUIN
Sub-total	£15,000	

d) Grants to London JOAQUIN partners (London Borough of Islington as Chair of airTEXT consortium)

	Proposed JOAQUIN funding allocation	Expected outcomes
airTEXT consortium	Up to £43,913 (depending on match funding provided)	Development of airTEXT including advanced

	by airTEXT consortium and available JOAQUIN funding)	forecasting system, Black Carbon Alert Service and assistance covering ongoing operating costs
Sub-total	£43,913	

Expected total to be claimed from JOAQUIN by GLA: £167,000

Expected income to be claimed from JOAQUIN by airTEXT: Up to £43,913

Expected total income from JOAQUIN (to be received through GLA): £216,913

Note: due to fluctuations in exchange rates these values may change but costs will be contained within the allocated funding.

3. Other considerations

a) Key risks and issues

- 3.1 No additional funding is required from the GLA to provide the necessary match for the JOAQUIN funding as this has already been allocated by IPB to the Clean Air Fund 2 in 12/13.
- 3.2 Additional staff time will be required to meet the obligations of the JOAQUIN project (presenting at conferences, reference board meetings, reports etc); however, it is proposed to appoint a Grade 8 staff member on a fixed term one year contract paid for from the JOAQUIN funding to compensate the GLA for the time invested and ensure other GLA air quality priorities are not under resourced.
- 3.3 The GLA will need to put in place additional arrangements to have access to "First Level Control" audit services. This can be achieved by procuring specialist accountancy services, which is budgeted for in the JOAQUIN funding.

b) Links to Mayoral strategies and priorities

- 3.4 The Mayor's manifesto set out his commitment to continue improving air quality in London. The success of the first Clean Air Fund was highlighted. CAF2/3 continues this innovative approach and supports the Mayor's preferred approach of working with Government and London boroughs to deliver improvements for London.

Mayoral strategies

- **Mayor's Air Quality Strategy (MAQS):**
 - **Policy 3:** Identifying priority locations and improving air quality through a package of local measures
 - **Policy 4:** Reducing emissions from public transport, including buses
 - **Policy 12:** Raising public awareness of air quality issues
'Develop a central air quality website for London on the GLA website, which will include data, technical information and advice on how to improve air quality.'
 - **Policy 14:** The Mayor will assist boroughs in carrying out the exercise of their statutory duty to improve air quality in London.
- **Mayor's Transport Strategy (MTS):**
 - **Proposal 92:** Reducing emissions from public transport, including buses
 - **Proposal 94:** Introducing targeted local measures at poor air quality priority locations to reduce emissions and improve local air quality.
- **Mayor's Health Inequality Strategy (MHIS):**
 - **Commitment 22:** Improve the quality of London's existing homes and neighbourhoods, especially in those areas with the poorest levels of health.

c) Impact assessment and consultation

- 3.5 No formal consultation or impact assessment has been undertaken for these projects. However, they are linked to Policy 3 (Local Measures) of the Mayor's Air Quality Strategy, which was subject to formal public and stakeholder consultation. Furthermore, the projects below are an evolution of the Clean Air Fund, which was referenced in the Mayor's manifesto.
- 3.6 Key stakeholders include: participating boroughs, participating schools and third-party organisations such as Sustrans and the London Sustainability Exchange, with whom the GLA will work to deliver specific components of these programmes. GLA has been working closely with the partner boroughs and other stakeholders consulting with them on arrangements for the programme. This will continue during implementation. There will also be interest from the broader air quality community and we will partner with Air Pollution Research in London (APRIL) to ensure the benefits of the programmes are properly and robustly evaluated. This will support wider roll-out in future years if the projects are successful.

4. Financial comments

- 4.1 This paper seeks approval for the GLA to join the Joint Air Quality Initiative under which the GLA will receive grant funding of 200,000 Euros (£167,000) from JOAQUIN to support the delivery of the Clean Air Fund 2 and 3 projects and Euro 53,385 (£43,913) as part of its joint London bid with the airTEXT consortium.
- 4.2 The grant funding of 200,000 Euros has been approved on the basis of 50% match funding. The GLA's 50% contribution has already been spent in the 2012-13 financial year, so no further financial contribution is required. The grant income which represents JOAQUIN's 50% contribution is expected to be received over a period of three financial years, 2013-14, 2014-15 and 2015-16. It will be used to fund further activities in relation to Clean Air Fund 2 and 3 as detailed in section 2 and will be claimed by the GLA in arrears on submission of evidence of expenditure.
- 4.3 The airTEXT allocation of 53,385 Euros will be grant funded by the GLA to the London Borough of Islington.
- 4.4 As noted in section 1.8, JOAQUIN have advised that they may have an underspend (yet to be quantified) which could be allocated to GLA projects which have received match funding through the Mayor's Air Quality Fund or other sources. Approval to receive and allocate any additional resources is requested to be delegated to the Executive Director of Development, Environment and Enterprise.

5. Legal comments

- 5.1 The recommended actions by the GLA, summarised at 2.1 above, are within the powers of the GLA. The recommended actions are calculated to promote the improvement of the environment, and/or are ancillary to such improvement.
- 5.2 Under section 30(2) of the Greater London Authority Act 1999 (the GLA Act), the principal purposes of the GLA include promoting the improvement of the environment in Greater London.
- 5.3 Section 30(4) of the GLA Act provides that the GLA should have regard to the effect on the health of persons in Greater London of any proposed exercise of its powers.
- 5.4 Under section 34 of the GLA Act, the GLA has power to do things facilitative of, or conducive or incidental to, the exercise of its functions.

- 5.5 In relation to proposed grant or contract agreements, including the airTEXT funding, the GLA Contracts and Funding Code should be considered, and legal advice sought from the Commercial Law team.
- 5.6 The proposed delegation, to the Executive Director of Development, Environment and Enterprise, of approval of detailed arrangements in respect of possible available underspend (referred to in paragraph 3.8 above), is consistent with the General Delegation to specified Senior Members of Staff in the GLA Scheme of Delegation.

6 Investment & Performance Board

- 6.1 This item was considered at the IPB Board meeting on 3rd October 2013.
- 6.2 The IPB approved in principle the GLA joining the Joint Air Quality Initiative for North West Europe as lead partner for the London bid and approved the delegation of authority to the Executive Director - Development, Enterprise and Environment to approve the receipt of and allocate any additional funding awarded by JOAQUIN and revise the proposed budget allocations, as appropriate.

7. Planned delivery approach and next steps

Activity	Timeline
Executive Director Development, Enterprise and Environment to sign consortium agreement and partnership agreement to join JOAQUIN project	ASAP
Recruit and appoint staff members	To be in place before end of financial year
Procure specialist accountancy support	To be in place before end of financial year
Project implementation	ASAP, as part of existing CAF2/3 activities
End of project/activity	End FY 2015/16

Appendices and supporting papers:

1. Copy of JOAQUIN partnership agreement between GLA and JOAQUIN to be signed by Executive Director for Development, Enterprise and Environment
2. Copy of consortium agreement between GLA/TfL and Executive Director for Development, Enterprise and Environment

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

If YES, for what reason:

This MD contains information on budget allocations which could be used by those bidding for contracts, preventing the authority from securing best value.

Until what date: (a date is required if deferring) Until all relevant contracts have been let. Estimated date 30 April 2014

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:

Elliot Treharne has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

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

✓

Sponsoring Director:

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Matthew Pencharz has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

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

4.2.14

CHIEF OF STAFF:

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

Signature

Edmund Hill

Date

04.02.2014