

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1458

Title: Air quality planning assistance (spending cap increase)

Executive Summary:

This request seeks authorisation to increase the annual cap on the procurement of specialist consulting services to review the planning cases referred to the Air Quality team, when the team does not have the resources to assess them adequately, and to provide specialist advice on the development of air quality planning policy, such as Air Quality Neutral and new emission standards.

Decision:

The Executive Director approves:

1. Additional expenditure on specialist consulting services required to review certain planning cases referred to the Air Quality team of up to £40,000 each in the 2015/16 and 2016/17 financial years; and
2. A variation of the GLA's current contract with AMEC Foster Wheeler for the above services in the 2015/16 financial year to accommodate a greater volume of the same (increase in value by up to £10,000 per annum).

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: Executive Director, Development, Enterprise and Environment

Signature:



Date: 23. 2. 2016

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Commenting on the air quality implications and impacts of planning applications contributes to the implementation of the Mayor's Air Quality Strategy (MAQS) and London Plan. It implements the Strategic Plan (2010 – 2012) key deliverable: Improving Londoners' Quality of Life – Making London the greenest big city in the world, by helping to tackle environmental issues.
- 1.2 All planning applications have air quality implications owing to the proposed emissions sources (ie traffic generation and/or building and water heating and electricity generation) or increasing exposure of people to existing poor air quality. The negative impacts of a development on new residents and the surrounding area can be reduced through improvements in building design, the full use of control measures such as appropriate ventilation and emissions abatement technology, mitigation of traffic emissions through highway design and enabling sustainable travel behaviour, and measures set out in the Best Practice Guidance on controlling dust and emissions from construction and demolition.
- 1.3 In light of the UK Supreme Court ruling that the Government must demonstrate compliance with legal limits for NO₂ as soon as possible and recent events related to Volkswagen vehicle emission tests, scrutiny of the air quality impact of new developments is at an all-time high and pollution in the capital has become well established on the political agenda.
- 1.4 The Mayor (under cover of MD987) authorised the Air Quality team to allocate £125,000 from the programme budget to procure specialist consulting services to review planning cases and policy over the financial years 2012/13 to 2016/17 (capped at £30,000 per financial year).
- 1.5 Owing to recent developments and an increase in planning consultations with an objection on air quality grounds, the team now requires additional support. In 2014, around seven planning applications were assessed owing to an objection on air quality grounds. This increased to 29 in 2015, including new information on previous applications owing to greater scrutiny of air quality impacts. Therefore, the decision being sought is to increase the annual cap of procuring specialist consulting services for financial years 2015/16 and 2016/17 each from £30,000 to £40,000.
- 1.6 Failure to increase the current level of expenditure for these years will result in insufficient technical support available to the Air Quality team and the planning decisions unit. It will also be difficult to undertake research to support a potential future revision of planning policy in this area.
- 1.7 In order to secure continuity of service provision it is proposed that the:
 - (a) GLA's current contract with AMEC Foster Wheeler be varied to accommodate a fee increase of £15,000 in respect of services provided in the 2015/16 financial year; and
 - (b) services to be provided after 31 March 2016 be procured competitively (officers working with TfL procurement in this regard).
- 1.8 Budget for the increased cost will be allocated from the Air Quality programme budget. This budget was approved by the Mayor under cover of MD1503.

2. Objectives and expected outcomes

- 2.1 The Air Quality Team provides daily planning advice to the Planning Decision Unit, providing in-house advice and value for money. However, some strategic planning applications have significant air quality implications and require highly specialist skills to assess technically complex planning applications, particularly those including new energy facilities.
- 2.2 The 2011 London Plan and Mayor's Air Quality Strategy set out a number of new areas of air quality planning policy, including Air Quality Neutral and new emission standards for Combined Heat and Power systems. Supplementary Planning Guidance has also been published to provide further advice to boroughs and developers on how these new areas of air quality planning policy should be implemented. Given the specialist nature developing this guidance additional support is required to test the proposed detailed policy to ensure there is no unintended adverse impact on development.

3. Equality comments

- 3.1 Toxicology studies show air pollution is not spread evenly across demographic groups. Exposures and associated health risks appear to fall disproportionately on poor and non-white. Although the scientific evidence is scant, the available data strongly supports the contention that, disadvantaged groups, many of whom are from racial and financially disadvantaged backgrounds, routinely encounter levels of air pollution that are higher than average.
- 3.2 This decision will ensure the Air Quality Team can provide sufficient planning assistance to ensure new developments in the Capital do not impact the health and wellbeing of Londoners. This is in line with Objective 2 of the Mayor's Framework of Equal Life Chances (2014), which seeks to reduce the number of vulnerable people at risk from respiratory and associated health issues as a result of poor air quality due to EU limits for nitrogen dioxide being exceeded.
- 3.3 If any equality issue arises as a result of the procurement of these services, it will be promptly resolved as part of the daily project management and client relationship.

4. Other considerations

A) Risks

- 4.1 Policy 7 of the Mayor's Air Quality Strategy (MAQS) ensures that new developments in London shall as a minimum be 'air quality neutral' through adoption of best practice in the management and mitigation of emissions.
- 4.2 The review of planning applications will be based on the MAQS and policies in the London plan; both of which underwent full statutory consultation before publication. The Air Quality team will consult with the Planning Decisions Unit on individual planning case as necessary throughout this contract. The Air Quality team have consulted with the current contracted consultant with regards to the most effective and cost efficient delivery of the existing contract, with this informing the project and decision required by the Mayor.
- 4.3 GLA officers consider that it has adopted sound project management techniques and that risks have been appropriately mitigated throughout the process of the development of the Mayor's Air Quality Strategy and relevant policies. The Strategy must comply with legal requirements and processes set out in the GLA Act. There is no significant risk associated with this project. This contract will enable the Mayor to assess fully the relevant planning cases referred to him and ensure that all practicable measures are used to improve London's air quality and contribute to meeting legal European Union air quality limit values as soon as possible.

B) Links to Mayoral strategies and priorities

- 4.4 The Mayor is required by section 362 of the Greater London Authority Act to prepare a London Air Quality Strategy, including information about current air quality in Greater London and likely air quality in the future. The Mayor is required to:
- implement policies contained in the Air Quality Strategy for England, Scotland, Wales and Northern Ireland;
 - achieve, in Greater London, the national air quality standards and objectives as prescribed in regulations made under the Environment Act 1995.
 - assess London Borough Air Quality Reviews and Assessments, as well as Air Quality Action Plans, both for their conformity with the Mayor's strategy and their contribution to achieving the national air quality standards and objectives; and
 - review strategic planning applications that are referred to the Mayor, including environmental implications and air quality impacts.
- 4.5 The Mayor recognises, in The London Plan (July 2011), the importance of tackling air pollution and improving air quality to London's development and the health and well-being of its people. The Mayor will work with strategic partners to ensure that the spatial, climate change, transport and design policies of this plan support implementation of his Air Quality and Transport strategies to achieve reductions in pollutant emissions and minimise public exposure to pollution.
- 4.6 The new London Plan (July 2011) requirement for all new developments to be Air Quality Neutral (Policy 7.14 B/c) will be a core consideration in the review and advice given to the Planning Decision Unit by the Air Quality team. Minimising increased exposure to poor air quality (7.14 B/a), promoting sustainable design and construction (7.14 B/b), the need to mitigate emissions (7.14 B/d), and energy emissions standards (7.14 B/d) will also be key policy advice provided by the Air Quality Team.
- 4.7 The Mayor's Air Quality Strategy also has a positive contribution to make to the following Mayor's Strategies: the Mayor's Transport Strategy (published May 2010), the Economic Development Strategy (also published in May 2010), the Municipal and Business Waste Strategies (November 2011), the London Climate Change Mitigation and Energy Strategy (October 2011), Climate Change Adaptation Strategy (October 2011) and the Health Inequalities Strategy (April 2010)
- 4.8 The Strategic Plan key deliverable: Improving Londoners' Quality of Life – Making London the greenest big city in the world will be delivered through this work.

C) Impact assessments and consultations

- 4.9 The Mayor's Air Quality Strategy (MAQS) was treated as if it was a plan or programme covered by the "SEA Regulations"¹. This project falls out from key policies and proposals contained in the MAQS (paragraph 2.2) and London Plan (paragraph 2.3), which have been subject to strategic environmental assessment (SEA) and associated consultation. In addition to an SEA, producing the MAQS triggered the need to carry out other assessments: Integrated Impact Assessment and Habitats Regulation Assessment, which, taken as a whole, identify the likely significant effects the MAQS and the policy relevant to this project will have on people (including equality), places, habitats and the environment in London.

¹ The Environmental Assessment of the Plans and Programmes Regulations 2004

5. Financial comments

- 5.1 Approval is being sought is to increase the annual cap of procuring specialist consulting services for financial years 2015/16 and 2016/17 each from £30,000 to £40,000.
- 5.2 The revised estimated cost of these contracts (it may be necessary to enter into more than one) would be up to £155,000 over five financial years as follows (MD 987 approved a budget of £125,000 from the Environment programme budget over the financial years 2012/13 to 2016/17):
- | | |
|-----------|--|
| ▪ 2012/13 | £25,000 |
| ▪ 2013/14 | £25,000 |
| ▪ 2014/15 | £25,000 |
| ▪ 2015/16 | £40,000 (increase by £15,000 from £25,000) |
| ▪ 2016/17 | £40,000 (increase by £15,000 from £25,000) |
- 5.4 Budget for the increased cost will be allocated from the Environment teams 2015-16 and 2016-17 Air Quality programme budget. MD1503 approved this budget for 2015-16, the budget for 2016-17 is subject to budget setting process and the cost of this contract will be contained within Environment teams programme budget.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the director fall within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to 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 further details on equalities are set out in section 3 above) and to the duty under section 149 of the 2010 Act to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share certain protected characteristics and those who do not;
 - 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 Should the director be minded to make the decisions sought officers must ensure that:
- 6.2.1 the GLA's current contract with AMEC Foster Wheeler is varied and this is documented and executed in accordance with the provisions of that contract;
- 6.2.3 services required going forward 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
- 6.2.4 appropriate contract documentation is put in place and executed by the successful bidder(s) for such services, or supplies and the GLA before the commencement of the same.

7. Planned delivery approach and next steps

- 7.1 The London Plan air quality neutral requirement requires detailed review of planning applications. Air quality neutral will be challenging for many developments to achieve in London's developed urban environment, so the level of technical, specialist skills and time required to assess compliance and recommend workable solutions will be significant. The number of referrals is expected to be no higher than 90 per year.
- 7.2 The GLA has entered into contracts to:
- a.) Assess planning cases – identified by the Air Quality team – referred to the Mayor until 31 March 2017 that are deemed to have significant air quality impacts, responding to the Air Quality Team within the planning deadline. This would include referring to all relevant guidance when assessing planning cases (which will include the London Plan and daughter documents and guidance) and suggesting appropriate mitigation measures for achieving air quality neutral.
 - b.) Provide specialist advice on the development of air quality planning policy, including the Air Quality Neutral concept and new emission standards (e.g. for Combined Heat and Power systems).
- 7.3 Given the variety of services required and to ensure best value for money for the authority it may be necessary to enter into more than one contract to deliver the requirements set out above. The annual cap would not be affected by having more than one contract in place.
- 7.4 As this contract is consultancy based, officers have to ensure that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are adhered to. Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 7.5 The Air Quality team procure services relating to the review of planning cases, where the team does not have the resource to assess them adequately. Services are for the period from date of signature of the contract to 31 March 2017 (a call-off under the framework will be entered into, with options to extend). This means that the Authority will only ever be committed to one financial year of expenditure at any one time. We have been advised that these services are not covered by any existing contract within the GLA Group.
- 7.6 The revised estimated cost of these contracts (it may be necessary to enter into more than one) would be up to £155,000 over five financial years as follows:
- | | |
|-----------|---------|
| ▪ 2012/13 | £25,000 |
| ▪ 2013/14 | £25,000 |
| ▪ 2014/15 | £25,000 |
| ▪ 2015/16 | £40,000 |
| ▪ 2016/17 | £40,000 |
- 7.7 The contract value of the present consultant will be reconsidered in March 2016 and if further extension is required then a possible tender situation may ensue.
- 7.8 The Air Quality team in the Development, Enterprise & Environment Directorate will be responsible for managing this project.

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

If YES, for what reason:

Until what date: (a date is required if deferring)

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:

Oliver Lord has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Patrick Feehily 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

M. J. Allen

Date

19.2.16

