

REQUEST FOR MAYORAL DECISION – MD1045

Title: CELSIUS - EU Funded Decentralised Energy Demonstrator

Executive Summary:

In November 2011 we submitted DD647 and it asked for approval to submit, with our consortium members, funding applications into the European Commission's Framework Programme 7 Call to support delivery of priority programmes within the Mayor's Climate Change Mitigation and Energy Strategy.

The CELSIUS project, is a decentralised energy and large-scale district heating demonstrator project, was successful in its application and scored top out of all the applications in the Call. The project was subsequently invited by the European Commission to go through to the negotiations phase of the applications process.

Approval is now being sought for the GLA element of the proposed project so that the GLA can enter into contract negotiations, alongside its London partners and fellow consortium members. The aim being for the CELSIUS project, and its consortium members, to enter into a Grant Agreement with the European Commission to deliver this exciting and innovative demonstration project.

Decision:

The Mayor is asked to:

- a) Approve the involvement of the GLA in the CELSIUS project.
- b) Delegate authority to the Director of Resources to execute (subject to the successful conclusion of such negotiations) a grant agreement with the European Commission (under which up to €495,419 will be made available to the GLA) and a consortium agreement with Gothenburg and fellow consortium members on behalf of the GLA and approve the award of, entry into and execute other contracts for services and supplies as required by the GLA for the delivery of the project.

Mayor of London

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for elected Members of the Authority. Any such interests are recorded below.

The above request has my approval.

Signature

Date

14 November 2012

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

Decision required – supporting report

1. Introduction and background

- 1.1 In November 2011 we submitted DD647 and it asked for approval to submit, with our consortium members, funding applications into the European Commission's Framework Programme 7 Call to support delivery of priority programmes within the Mayor's Climate Change Mitigation and Energy
- 1.2 The CELSIUS project, which is a decentralised energy and large-scale district heating demonstrator project, was successful and scored top of the applications in its Call. It was subsequently invited by the European Commission to go through to the negotiations phase of the applications process.
- 1.3 The GLA's involvement in this has enabled us to become an important part of this highly regarded and innovative project that has the potential to influence both technical and financial elements of district heating and cooling policy and delivery across the EU.
- 1.4 It has proved instrumental already in developing our approach to and understanding of district heating systems in London. It will continue to play an increasingly important part in not only informing our physical build-out of district heating systems but also through utilising the extensive expertise that exists within the consortium and the opportunities offered by the project it will inform our future approach to the design, specification and delivery of district heating systems in London.
- 1.5 This project will make an important physical and technical contribution to helping London meet its 25 per cent decentralised energy target. The market activity that will be stimulated through this and resulting activity in this area will also help realise the economic opportunities that delivering this target represents. It has been estimated, in annualised average figures, that our expected activity in rolling-out decentralised energy could ultimately deliver around £142m of direct GVA per year along with 848 direct jobs per year through to 2025. This could result in up to 2,500 permanent jobs being created in the decentralised energy sub-sector by 2025.
- 1.6 The London Low Carbon Environmental Goods and Services Sector Report undertaken in 2011 identified Geothermal, which includes decentralised energy and district heating, as one of a number of sub-sectors where London had a real strength compared to other UK regions. Therefore increasing demand in a sub-sector where London already has an inherent strength will create market opportunities for London's businesses and job opportunities for London's workers. Developing this sector will also help London's businesses develop the skills and expertise that can then be exported to other markets within the UK and globally.

FP7-ENERGY-SMART CITIES-2012: 'Large-scale systems for urban area heating and/or cooling supply' Call

The bid into the 'large-scale systems for urban heating and/or cooling supply' Call has been successful and is called CELSIUS. Gothenburg is the lead partner with the other city partners in the consortium being Rotterdam, Cologne, Genoa and London. Each city is developing and delivering a specific innovative demonstrator project and these will form one of eight Work Packages within the CELSIUS project. Consortium members are also contributing, to various degrees, to delivering the other seven Work Packages that together make up the entire CELSIUS project and its outputs.

Each of the cities are undertaking either a heating or cooling demonstration project that will help highlight how district heating and cooling networks can provide low cost, low carbon heating and cooling that will play an active role in meeting the EU's carbon reduction targets. These projects together will help create a proven and replicable template for developing extensive district heating and cooling networks that are integrated into a wider energy network at a district or city level that can then be rolled-out across the EU's cities.

The London element of the project will contribute directly towards the Mayor's target to reduce carbon dioxide emissions by 60 per cent and providing 25 per cent of London's energy from decentralised sources by 2025. The project will result in direct investment of approximately €5 million into London, of which the

EU Commission will contribute approximately €2 million. The CELSIUS project will also play a wider role in extending and developing our experience and knowledge of this area by being a partner in a consortium of cities with extensive district heating expertise and experience. Decentralised energy will play an increasingly important role in providing secure, affordable, low carbon energy for London that will contribute towards London being able to accommodate increasing levels of physical development and so ensuring it remains a highly competitive location for business.

The London element of the consortium consists of the Greater London Authority (GLA), London Borough of Islington and UK Power Networks.

Table 1 - Proposed budget costs for the London element of the Celsius Project

	Total project costs in EUROS (€)	Proposed EU Commission contribution in EUROS (€)	Proposed London Partner contribution in EUROS (€)
<i>London Partners</i>			
GLA	495,419	495,419	0
UK Power Networks	786,659	195,380	591,279
London Borough of Islington	3,806,075	1,390,034	2,416,041
Total project costs and EU funding for London Partners	5,088,153	2,080,833	3,007,327

The London demonstrator - This will be developed and delivered by the GLA, the London Borough of Islington and UK Power Networks and falls under Work Package 3, which contains all the demonstrator projects within the CELSIUS project.

The project is focussed around the London borough of Islington's new district heating network in the Bunhill Ward. The project is made up of two components; the physical build out and expansion of the Bunhill district heating network along with the capture and utilisation of waste heat and is supported by the deployment of ICT and smart platform technologies to help develop an understanding of how decentralised energy and district heating networks can be most effectively and beneficially integrated into the energy network at a district and city level.

The London Borough of Islington is leading on delivering all the elements of the demonstrator related to the extension of the district heating system, including capture of waste heat and thermal storage. UK Power Networks are leading on all the smart technologies and platforms that will be developed and installed as part of the demonstrator. The GLA has been instrumental in bringing the partnership together and then establishing the Steering Group and defining the nature of the project. The GLA will continue to be actively involved with the demonstrator project from a strategic and technical perspective but are not contributing any capital funding towards the construction of the project.

The Bunhill district heating system is divided into two phases; the first phase is presently in construction and a second phase will then be built out from 2013 once the first phase has been completed.

The technologically innovative element of the demonstrator will be the extension of the existing heating system, the capture and utilisation of waste heat sources within the heating system and the use of a thermal store to support the operation of its existing network and ultimately its future expansion.

The technologically smart element of this project will be to pilot the integration of the project's energy production, distribution (electricity and heat), heat storage and consumers, by application of Information and Communications Technology (ICT) and other Smart platforms. Using commercially available ICT and smart platforms these technologies will enable a range of smart interventions, such as active network management and demand side response, aimed at better understanding how energy centres and district heating networks can be most efficiently and cost effectively integrated into the wider energy network.

Together these activities will help ensure that London's approach to decentralised energy and district heating continues to evolve alongside the technology it uses and opportunity it represents. This will help ensure that London's electricity network is able to accommodate increasing amounts of low carbon decentralised energy and that this positively contributes to both our electricity and heat network's ability to provide low carbon energy during peak times. It will increase capacity of the network and enable London to develop a more resilient energy network that is better able to respond to the changing demands of consumers as well as the changing sources and costs of its energy supply.

Work Packages within the CELSIUS Project - Each consortium member is involved in delivering various elements of the overall CELSIUS project that aims to develop a way to maximise the contribution that district heating and cooling systems play in developing low carbon low cost energy networks at district and ultimately a city level.

The various activities that are included in the CELSIUS project, as with all EU FP7 projects, are divided into Work Packages; the CELSIUS project has eight Work Packages. These are as follows: WP1 - Project Co-ordination; WP2 - Integration and Roadmap; WP3 - Demonstrators; WP4 - Monitoring; WP5 - Technology and Innovation; WP6 - Behaviour and Acceptance; WP7 - Market Uptake; WP8 - Communication and Market Outreach.

The GLA will be involved in supporting the delivery of Work Packages 1, 2, 6, 7 and 8 and are leading on the delivery of Work Package 7 - 'Market Uptake'. WP7 will be particularly important for the GLA as it will bring together all the learnings and approaches of the project into one place to present how the CELSIUS project will facilitate the widespread roll-out of district heating and cooling across Europe. This will make a very positive contribution to how London will develop its strategic and practical approach to delivering decentralised energy and district heating systems in the city.

In order for the GLA to deliver their commitments under the CELSIUS project it will require the allocation of staff resources over the four year duration of the project. The GLA will receive 100% grant funding from the EU Commission towards the staff costs required to deliver these activities. This means that the GLA will receive €321,182 (Euros) from the EU Commission over the four years of the project. Using the average monthly rate for a Grade 10 of €6,315, calculated from an exchange rate of 1.166, this will fund approximately 50.9 man-months at Grade 10 over four years.

The GLA will need to provide this staffing capacity from the re-allocation of existing resources from within the Transport and Environment Team, from the appointment of a new fixed term post or a combination of these two approaches spread across the four years of the project. If a new fixed term post is identified as the best approach then a submission will be put to the Head of Paid Service (HOPS) for approval and subsequent recruitment. Depending on the approach taken there could be redundancy costs payable at the termination of the contract, however these costs are likely to be modest. The EU grant to the GLA will provide for indirect costs to the value of €81,903 (see below) for delivering the project. A portion of this element of the grant will be reserved within Transport and Environment to cover any redundancy costs associated with the post.

One of the main roles that the GLA will have to undertake will be to manage the delivery of WP7 for which the GLA are the lead organisation but there are fourteen other consortium members all with extensive

knowledge and expertise in this area that will be contributing to the delivery of this WP. Our active engagement in this project will ensure that the GLA are able to maximise the exemplary and innovative learning and knowledge transfer that will happen in this project, so that we are able to translate this into both strategic and physical development and delivery of decentralised energy and district heating systems across London.

The objectives of WP7 are to:

1. Create an inspiring vision for the CELSIUS City that all EU cities can both relate and aspire to.
2. Bring together all the learnings, expertise and technologies gained from the other WPs into an approach that can be used by WP8 to support large scale deployment of energy infrastructure projects across the EU.
3. Create a credible and ambitious strategy that will enable delivery of the CELSIUS City vision beyond 2017.

WP7 is divided into six tasks and each task has a deliverable that together will ensure the WP meets the objectives set out above. The deliverables for this are as follows:

- i. Create a compelling and inspirational vision for the 2050 CELSIUS City (a low carbon city with an efficient and resilient energy supply) and a road map of how to get there.
- ii. Create an interactive toolbox from the outputs of earlier WPs that cities can use to baseline themselves and plot out their journey to become a CELSIUS City.
- iii. Produce a marketing and communications plan for the CELSIUS vision and approach.
- iv. Produce a lobbying strategy for addressing and overcoming the barriers and challenges to delivering district heating and cooling networks at scale across the EU.
- v. Create a strategy for rolling-out the CELSIUS vision and approach.
- vi. Create a strategy for how the CELSIUS vision and approach will continue post 2017.

The other main areas of activity for the GLA are:

- WP6 which is all about identifying the barriers to wide-scale roll-out of district heating and cooling and identifying ways in which these can be best overcome. Barriers will include financial, political, social, economic and geographical.
- WP8 which is all about communication and market outreach with cities across the EU to support roll-out of district heating and cooling systems using the CELSIUS approach.

In addition to the 100% grant funding received to cover staff costs, the GLA will also receive grant funding to the approximate value of €174,237 for delivery of other requirements of the project over the four years. This additional grant funding is made up as follows:

- 1) Travel - €23,334 - These costs will be incurred by the requirement for attendance at regular project management meetings (WP1) throughout the four years of the project along with travel to other partner cities as part of the work that we will be required to undertake in other areas of the project (WP6, WP7 and WP8).
- 2) Sub-contracting - €4,000 - To procure specific support, if required, to the overall project management activities in WP1, this is a standard allocation set for all project partners.
- 3) Indirect - €81,903 - Calculated at a flat 20% of project costs, this covers additional indirect costs associated with undertaking the various project activities, such as accommodation for staff, running procurement exercises and organising meetings and workshops.

- 4) Other - €65,000 - These costs will be incurred in WP7 and WP8. In WP7 it will support our delivery activities by hosting meetings and city delegations along with the production of various materials to develop, promote and support the roll-out of the CELSIUS project. In WP8 it will support the hosting of delegation meetings and demonstration workshops for deployment of the CELSIUS project.

All procurement activity related to this project will be undertaken in conjunction with the Transport for London Procurement Team just as with any GLA project.

The table below illustrates the estimated projected income and expenditure profiles for the project as are currently known at this time (these will only be finalised on the signing of the grant agreement):

Estimated financial splits	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Income	€198,166		€198,166		€99,085	€495,417
Expenditure - Staffing	€20,074	€80,296	€80,296	€80,296	€60,220	€321,182
Expenditure - Other	€5,810	€50,333	€50,333	€50,333	€17,428	€174,237

The financial figures in this IPB paper vary slightly from the original DD647, following the initial feedback from the European Commission around the project specification and requirements. As is usual in EU Funding discussions we have responded to the issues and questions raised in the Evaluation Summary Report which we received as part of the Evaluation Process for the application. As a consequence we have reconfigured some details of the project and associated costs. This has led to small alterations in the financial figures set out in this IPB paper compared with DD647.

2. Issues for consideration

a) Links to strategies and Mayoral and corporate priorities

This project is explicitly linked to the Mayor's Climate Change Mitigation and Energy Strategy, published in October 2011. Integral to the delivery of this Strategy and its 60 per cent carbon dioxide reduction target by 2025 is the 25 per cent decentralised energy target for London supported by the Mayor's decentralised energy and low carbon capital programmes. This project is designed to develop detailed knowledge and understanding on the design, specification and build-out of district heating systems that will facilitate an accelerated and efficient transition to a low carbon economy whilst supporting the realisation of economic and environmental opportunities in London that are associated with this transition.

The investment opportunity for London of meeting its 25 per cent decentralised energy target is estimated at between £5-7 billion and this project will help develop real momentum towards achieving this target.

This project will make an important physical and technical contribution to helping London meet its 25 per cent decentralised energy target. The market activity that will be stimulated through this and resulting activity in this area will also help realise the economic opportunities that delivering this target represents. It has been estimated, in annualised average figures, that our expected activity in rolling-out decentralised energy could ultimately deliver around £142m of direct GVA per year along with 848 direct jobs per year through to 2025. This could result in up to 2,500 permanent jobs being created in the decentralised energy sub-sector by 2025.

The London Low Carbon Environmental Goods and Services Sector Report undertaken in 2011 identified Geothermal, which includes decentralised energy and district heating, as one of a number of sub-sectors where London had a real strength compared to other UK regions. Therefore increasing demand in a sub-sector where London already has an inherent strength will create market opportunities for London's businesses and job opportunities for London's workers. Developing this sector will not only attract inward investment but will help London's businesses develop the skills and expertise that can also be exported to other markets within the UK and globally.

Decentralised energy not only provides an investment opportunity for London and its businesses but will also make sure that London remains competitive as a global city, by contributing to the capacity and resilience of a wider, smarter, lower carbon energy network within London.

The Mayor has a portfolio of policies and programmes aimed at supporting the development and delivery of decentralised energy in London. This project forms a very important part of that portfolio for it includes both the actual delivery of a decentralised energy project along with the development of new innovative approaches for decentralised energy in London.

b) Impact assessments and Consultation

The CELSIUS project itself has been developed through consultation and discussion with all the Consortium partners so that it is able to support the delivery of European strategic priorities around mitigating climate change and increasing the contribution that district heating and cooling can make towards this.

The London element of this project has been developed with the aim of developing and delivering a strategically important project that will contribute to the direct delivery of the Mayor's Climate Change Mitigation and Energy Strategy and his Economic Development Strategy. Decentralised energy and district heating systems have already been consulted on as part of the Mayor's Climate Change Mitigation and Energy Strategy and the specific elements of the London demonstrator project has subsequently been extensively consulted on with the London partners involved in the project. As part of the development and delivery of the project appropriate additional consultations will be undertaken to build on the extensive consultation process that has already been undertaken by the London Borough of Islington for the first phase of the project to ensure that the local community understands and is aware of the project and the benefits it will deliver locally and for London.

An original impact assessment was undertaken for the Climate Change Mitigation and Energy Strategy and its associated programmes. As this bid will help deliver these objectives the original impact assessment is still relevant to the project. As the project now starts to get developed in detail the impact assessment will be updated as required to ensure that the project considers the impacts and opportunities that it could have. As the design and specification process progresses it will consider these issues and seek to address as many of them as is practicable.

c) Risk

The risks to the GLA of this project are two-fold, firstly with our ability to deliver on our contractual commitments within the CELSIUS project and then secondly around the successful delivery of the London demonstrator with our partners, London Borough of Islington and UK Power Networks.

A detailed risk assessment will be developed by the GLA and its London Partners to cover both areas of risk once the Grant Agreement has been signed and the project starts moving into delivery.

Appropriate project management processes will be developed once the project starts to ensure that the London element of the project delivers its outputs to time and within budget.

The main GLA specific risks and mitigation actions are:

London not seen as a leading city within the decentralised energy and district heating sector - By securing this funding and being engaged in the CELSIUS project will ensure that we are working with other leading EU cities on this subject and our involvement will ensure that we are able to be involved in developing and implementing innovative new approaches to decentralised energy and district heating and cooling systems.

Not invited to sign the EU's Grant Agreement - The project was the top scoring project in the Call and since its submission it has been further developed and improved over the last five months. This has been done in conjunction with London partners, Gothenburg - the lead partner and all the other CELSIUS partners, to ensure that each of the demonstrator projects and the project as a whole has addressed all the issues raised by the commission in the Evaluation Process so that the project is now even better and delivering more outputs for the EU Commission.

Not invited to sign the Consortium Agreement - The GLA and the London partners have worked very closely with the lead partner Gothenburg on addressing all the issues that were raised during the Evaluation Process with regards to London's demonstrator. Gothenburg have stated that they are very happy with the quality of the London demonstrator and the contribution that we have made to the overall project.

Non-conformity with Grant Agreement or Consortium Agreement - The project specification is developed by all the partners and submitted to the EU Commission for approval and this will form an integral part of the contract, stating what will be delivered and by whom. The GLA are fully aware of what the project is seeking to deliver and how it will be delivered so we are able to develop a schedule of work and personnel that will ensure we are able to successfully deliver our elements of the project.

Not able to evidence spend on project - The GLA has been involved in other EU projects and has a good understanding of what evidence is required to support their expenditure claims that will be submitted to the EU Commission. The GLA will also discuss with fellow Consortium members with experience of EU funding to ensure that we set up the appropriate internal processes to record and evidence our activity and spend.

Fluctuation in Euro:GBP Exchange Rate - If this fluctuates significantly it could mean that we do not receive enough Euros to cover the costs of our activities in GBPs. The GLA has been involved in EU projects previously and this is always an issue when applying for European funding. The payments are generally fixed at a number of points through the life of the project. During final negotiations with the EU we will raise this issue and seek to agree ways to address this risk. The Commission are aware of these issues with UK partners and the GLA has previously agreed fixed exchange rates at specified stages of the project or reduced levels of activity to offset shortfalls in funding as a consequence of exchange rate fluctuations.

London Partnership risks and mitigation:

London Partnership doesn't function effectively - The GLA has put considerable effort into developing the Partnership over the last ten months and it has evolved over that time to deliver a considerable amount of high quality innovative work. There is a very good existing working relationship that has been re-enforced over time through the challenge of submitting this bid and developing the demonstrator project to the position it is at present. We will continue to develop and build on the partnership to help ensure that it remains effective and fruitful throughout the project lifetime.

London Partners not delivering on their contracted commitments - The GLA has worked very closely with our London partners when developing the London demonstrator part of the bid since the Call was launched last year. Consequently the demonstrator will enable each partner to deliver specific environmental and organisational objectives through this project and consequently each of the

partners are fully committed to the project. Consequently all parties are very aware of what will be expected of them and they also have a range of supporting relevant documents that explains how Framework Programme 7 works and the requirements of this funding stream. Each partner signed a 'Letter of Commitment' back in November 2011 to accompany the bid submission and each of the partners have extensive experience and expertise in the specific areas of the bid that they are responsible for delivering.

London Partners not able to raise match funding to deliver their elements of the London demonstrator - Each partner is committed to the project, it delivers some of their core objectives and they are receiving 50% of the required funding to deliver these activities. Each organisation is actively engaged in identifying and securing the match funding that is required to deliver the London demonstrator.

3. Financial Comments

- 3.1 Approval is being sought to enter into contract negotiations with the European Commission to support the CELSIUS project (as set out in DD647).
- 3.2 CELSIUS is a Framework Programme 7 (FP7) project which will run for four years. The FP7 requires the participation of at least three member states to qualify for funding. The GLA is working as a partner in a Consortium of which Gothenburg is the lead partner. The London element of the consortium consists of the Greater London Authority (GLA), London Borough of Islington and UK Power Networks.
- 3.3 Approval is also sought to delegate signing rights for both the Grant Agreement with the European Commission and the Consortium Agreement with Gothenburg and fellow consortium members to the Director of Resources as well as procuring services and supplies to enable the delivery of the project.
- 3.4 Delivery of the project will require the allocation of staff resources over the four year duration of the project. This staff resource may be provided by reallocating existing resources within the T&E team or by fixed term contract, in which case redundancy costs may be payable. An element of the grant to the GLA (allocated for indirect costs) will be set aside to cover any redundancy costs associated with this post. If the provision is insufficient to meet these costs, they will be contained within the existing Development & Environment budget.
- 3.5 The estimated cost of the staff resources allocated over the 4 years of the project is up to €321,182 or £275,000, based on current pay levels for a Grade 10 post. The GLA will also incur costs relating to travel, hosting events and promotional and marketing materials. The estimated value of these costs is up to €174,237 or £150,000. Both of these costs will be contained within the funding provided by the European Commission.
- 3.6 The bid was submitted in Euros; costs are also shown below in Pounds Sterling using a conversion rate of €1:£1.166, as used in the original bid.
- 3.7 The total cost of up to €495,419 or £425,000 will be fully funded by the European Commission. No match funding is required from the GLA.
- 3.8 A breakdown of the proposed budget costs for the London Partners element of the CELSIUS Project is given in more detail below –

Organisation	Total Project Costs		Proposed EC Contribution	
	£'000	€'000	£'000	€'000
Staff Costs	275	321	275	321
Travel / Indirect Costs / Other	150	174	150	174
GLA Total	425	495	425	495
LB Islington	3,264	3,806	1,192	1,390
UK Power Networks	675	787	168	196
Project Total	4,364	5,088	1,785	2,081

- 3.9 The EU is expected to provide funding in tranches. The timings of the spend and funding may result in the GLA being in surplus or deficit at the end of a financial year. Climate Change Mitigation officers are reminded of the need to complete the relevant financial year end paperwork to facilitate budget carry forwards.
- 3.10 All requisite budget adjustments will be made.
- 3.11 The proposed funding above is to be governed via funding agreement. Consequently, officers are reminded to ensure that they liaise with both the Legal and Finance Teams in the preparation and execution of the funding agreements. In addition, the monitoring of the funding and associated payments must be line with the Authority's Funding Agreement Toolkit.
- 3.12 As part of the programme relates to a contract, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to.
- 3.13 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 3.14 The Climate Change Mitigation Team within the Development and Environment Directorate will be responsible for managing this project and associated funding agreement.

4. Legal Comments

- 4.1 The forgoing sections of this report indicate that:
- 4.1.1 The decisions requested of the Mayor within the powers of the Authority to do anything which is facilitative of or conducive or incidental to the promotion of the improvement of the environment in Greater London; and
- 4.1.2 In formulating the proposals in respect of which a decision is sought officers have complied with the Authority'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 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.
- 4.2 Officers must ensure that the Authority can comply with the provisions of the proposed grant and consortium agreements and that, in the event that negotiations are concluded successfully, that the

agreements are executed by the Authority, the EU Commission and all consortium partners before the GLA makes any commitment to the project.

- 4.3 Any services and supplies required for the project must be procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the Authority's Contracts and Funding Code and officers must also ensure that appropriate contract documentation is put in place and executed with successful bidder(s) before the commencement of such services and supplies.
- 4.4 The Mayor is able to delegate authority to the Director of Resources to execute agreements on behalf of the Authority by virtue of section 38 of the Greater London Authority Act 1999 which provides for his delegation of any function exercisable on behalf of the Authority by the Mayor to any Authority staff member.

5. Investment & Performance Board

This submission was endorsed at the 23 October Investment and Performance Board Meeting.

6. Background/supporting papers

Attached is DD647

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the GLA website within 1 working day of approval. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this approval to be deferred? YES

If yes, for what reason:

It contains information the disclosure of which would be likely to prejudice the Authority's commercial interests by distorting competitiveness in the markets for any services or supplies it may require to discharge its duties under the proposed grant funding and consortium agreements. Such distortion impacts upon the Authority's ability to secure competitive and sustainable bids for the provision of such supplies and services and value for money which is not in the public interest

Until what date: [On completion of project procurement processes which we anticipate will be concluded in December 2013 or early 2014.]

Is there a part 2 form - NO

ORIGINATING OFFICER DECLARATION:

	Tick to indicate approval (✓)
Drafting officer: <u>Simon Wyke</u> 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: <u>Stephen Tate</u> has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.	✓
Sponsoring Director: <u>Fiona Fletcher-Smith</u> has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.	✓
Mayoral Adviser: <u>Matthew Pencharz</u> has been consulted about the proposal and agrees the recommendations.	✓
Advice: The Finance and Legal teams have commented on this proposal.	✓

OFFICER APPROVAL**Executive Director, Resources**

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

Signature

Date

Chief of Staff

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

Signature

Date