

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2735

Title: Infrastructure Coordination Service Preparation Phase

Executive Summary:

The GLA's Infrastructure Coordination Service is close to finalising the successful delivery of a pilot programme utilising £2.87m of funding (approved through MD2386) from London's Lane Rental Surplus Income. The funding was secured on the back of a comprehensive business case endorsed by the Mayor's London Infrastructure Group of senior infrastructure stakeholders. The programme is designed to deliver a range of initiatives that drive coordination of infrastructure planning and delivery in London and explores the policy and regulatory frameworks to enable a change in business practices. This work supports the Mayor's ambitions around delivering good growth, enabling housing delivery, and minimising the impact of infrastructure works in the capital.

Based on the success to date and strong industry support, the team is in the process of securing a further £3.5m from the Lane Rental Surplus Income for a second phase of work starting in June 2021. This has been endorsed by London Infrastructure Group members, GLA's Infrastructure Coordination Steering Group and members of the Lane Rental Governance Committee. The second phase of work will see a doubling in outputs to expand the evidence base and learnings with the aim of establishing a stable basis for the long-term future of the programme, whilst continuing to deliver benefits to Londoners and businesses.

Funding is expected to be confirmed at the next TfL Lane Rental Governance Committee meeting in February 2021. Approval to accept this funding is sought now to ensure there is no gap or delay in delivery, so we can retain our pilot phase team and we are able to recruit as soon as funding is formally confirmed.

Decision:

That, subject to confirmation of funding at the February 2021 meeting of the TfL Lane Rental Governance Committee, the Mayor approves:

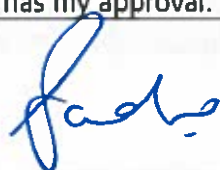
1. Acceptance of up to £3.5 million of London Lane Rental Scheme Surplus Income; and
2. Expenditure of up to £3.5 million secured through the Lane Rental Scheme Surplus Income to deliver the second phase of the Infrastructure Coordination Service (called the preparation phase).

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:

18/12/20

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

Decision required – supporting report

1. Introduction and background

Pilot phase (June 2019–June 2021)

- 1.1. MD2386¹ established a new function (the Infrastructure Coordination Service) within the Infrastructure team after securing £2.87m of funding from the London Lane Rental Scheme Surplus Income².
- 1.2. To secure the funding, the team developed a business case³ (see Annex A) which highlighted the potential for London to plan, programme and deliver the pipeline of infrastructure and development activity in a more coordinated way. The scale of works across London reflects not only the rapid growth of the city, but also the critical investment necessary to ensure London is fit for the future, particularly in the context of the ongoing climate emergency.
- 1.3. The GLA was identified by stakeholders to be perfectly positioned to drive this coordination. Working with boroughs, developers, utilities and other infrastructure providers, the GLA team designed, in the pilot phase, a work programme to respond to challenges in the sector, demonstrate the value of interventions set out in the business case and build a foundation for the continuation of the service.
- 1.4. The Infrastructure Coordination Service (ICS) pilot phase work programme is composed of three interrelated service lines supported by innovative data tools developed and maintained by the team, and policy experts seeking to use regulatory and policy levers to deliver long term, sustainable change across the sector. The three services are:
 - **The Streets Service:** fostering systematic, long-term planning of collaborative works between infrastructure providers, TfL and borough highway teams and contractors. Utilising the GLA's Infrastructure Mapping Application to identify opportunities, the team convene works promoters, project manage collaborations, and rigorously monitor and evaluate projects to understand the scale of benefits possible and share best practice. We are also seeking opportunities to build-back-better following infrastructure works, rather than like-for-like reinstatement. And where possible looking to build-in passive provision and influence routing of new assets to reduce the disruption of subsequent works.
 - **The Development Service:** targeted at London's developers, the service places infrastructure coordinators in boroughs to offer a consultancy-style service with fees charged on a cost recovery basis to help developers manage their interfaces with local infrastructure networks. The coordinators 'join the dots' across multiple teams within boroughs (planning, regeneration, housing, highways) and bring strong local infrastructure knowledge to the development project alongside expertise in managing interfaces with infrastructure systems.
 - **The Planning Service:** this service is used by London's local authorities (in this current phase the London Borough of Tower Hamlets) and infrastructure companies when strategically planning the infrastructure needed to support good growth and achieve other ambitions, including net-zero targets. We bring together all parties at an early stage in planning an area to inform and support the delivery of affordable housing, the viability of development, facilitate upfront strategic investment, create conditions for innovation in design and delivery, while saving costs and minimising disruption.

¹ https://www.london.gov.uk/sites/default/files/md2386_infrastructure_and_development_coordination_unit_-_signed.pdf

² The Lane Rental surplus income funds innovative projects 'intended to reduce the disruption and other adverse effects caused by street or roadworks'

³ https://www.london.gov.uk/sites/default/files/md2386_annex_b.pdf

- 1.5. All services are delivered locally within partner borough organisations, being aided by our digital tools (the Infrastructure Mapping Application and London's Underground Asset Register). Our policy team takes the local evidence and works with regulators and government to ensure policy and regulation support our coordination objectives.
- 1.6. Throughout the pilot phase, the ICS has received strong support across the sector including boroughs, infrastructure providers and other key stakeholders. Initial evaluation results are very encouraging with the ICS demonstrating high value for money. With the current funding ending in June 2021, the team has worked alongside external consultants (Grant Thornton) to conduct a thorough analysis of the current work programme and options for the future. The Infrastructure Coordination Steering Group (comprising senior leadership and subject matter experts within the GLA and TfL) agreed a second phase - the 'preparation phase' - would be beneficial to deliver more projects, refine initiatives and gather a greater evidence base before the team can develop a longer-term plan for the future.

Preparation phase (June 2021 - June 2023)

- 1.7. Building upon learning from the pilot, the ICS is proposing to roughly double its delivery across the three service lines and further develop its data tools and policy offering. The preparation phase will see the team responding to demand by increasing geographic reach, delivering more projects, refining its services, collating more learning, increasing engagement and embedding collaboration practices within key organisations.
- 1.8. The draft GLA Budget⁴ for 2021/22 explained that the Infrastructure Coordination Service is funded from external sources and that its continuation would be dependent on this. Discussions with its principal funder, the Lane Rental Governance Committee, have been ongoing and, based on the positive results from the pilot phase, we have now established that the Committee is willing to provide further funding of £3.5m for a two-year preparation phase (June 2021 to June 2023) with an expanded scope and team. This proposal has received endorsement also from the Mayor's London Infrastructure Group⁵.
- 1.9. While the funding is expected to be formally agreed by the Lane Rental Governance Committee at the next meeting in February 2021, approval is sought now to ensure there is no gap or delay in delivery, we can retain our pilot phase team and we are able to begin recruitment to the expanded team as soon as funding is formally confirmed – all activities in the preparation phase are contingent on funding approval. The timing of recruitment will be managed to provide opportunities for GLA staff affected by any restructuring as a result of budget savings to apply.
- 1.10. The GLA ICS team is the core element in ensuring the programme functions successfully. In the pilot phase, the team has also relied to quite a large extent on external consultant support. To reduce reliance on consultants and respond to the increased workload, the ICS is proposing to introduce 11 new two-year fixed-term posts to support the service delivery and data functions: five roles to replace existing consultants, and six new posts to manage the increase in workload. The move from consultancy to fixed-term appointments will provide significant savings to offset some of the additional costs of new roles. The posts would be fully funded from the Lane Rental Surplus Income with no cost-risk to the GLA, and normal Head of Paid Service staffing protocol processes will apply.
- 1.11. This will ensure we:
- deliver cost efficiency – GLA staff will be more cost effective compared to the higher cost of consultant support (using consultants for the 11 roles needed would add more than £1 million to total costs, compared to GLA recruitment);
 - retain talent – internal recruitment will also help ensure that we retain talent, skills and knowledge within the team;

⁴ Paragraph 7.19

⁵ <https://www.london.gov.uk/what-we-do/business-and-economy/better-infrastructure/mayors-london-infrastructure-group>

- achieve efficiencies – time will be focused on delivery, rather than onboarding of consultants; and
- offer development opportunities for internal staff – the creation of new posts will offer opportunities to GLA staff.

- 1.12. An important objective of the pilot phase has been to identify alternative income streams in order to allow the ICS to diversify funding sources. For the preparation phase we have identified a range of options that could support delivery of specific elements of the work programme, including developer fees for the Development Service, funding from boroughs for the Planning Service, and continued Cabinet Office Geospatial Commission funding for London's Underground Asset Register.
- 1.13. We have, however, ensured that Lane Rental income alone allows for the delivery of an effective and cost-efficient work programme, funding core activities delivered by the team between June 2021 and June 2023. The proposed £3.5m will cover the full GLA team for two years at a cost of £2.5m. This will allow for a programme budget of £1m to deliver across the three service lines. Additional, more complex elements of the work programme such as enhancing our Streets Service with healthy streets interventions or delivering pan-London sub-regional evidence bases within the Planning Service, will be contingent upon securing further funding from industry, boroughs and other partners, including through the additional potential income streams above.

2. Objectives and expected outcomes

- 2.1. As is set out in the Lane Rental Scheme Surplus Income terms of reference the proposal for the ICS Preparation Phase remains focused on reducing disruption and other adverse effects caused by streetworks by ensuring the processes of planning and delivering London's infrastructure and development is efficient and coordinated.
- 2.2. Beyond reducing the adverse effects caused by roadworks, the ICS has already illustrated significant benefits to a broad range of stakeholders:
- **Londoners:**
 - improved public realm
 - improved air quality
 - reduced noise pollution
 - reduced disruption
 - **Boroughs:**
 - improved delivery of strategic targets such as carbon neutrality
 - improved quality of roads and public realm
 - cost savings from collaborative works as asset owner
 - improved relationships with businesses, residents, and developers
 - improved planning for growth
 - **Transport for London:**
 - reduced disruption on road network
 - improved air quality across London
 - cost savings from collaborative works as asset owner
 - improved data sharing and planning
 - **Utility Companies:**
 - cost savings through more efficient delivery of works
 - improved reputation amongst customers
 - improved visibility of upcoming development
 - **Developers:**

- improved information for planning and understanding of constraints
- improved reputation amongst local actors
- reduced uncertainty and delay in delivery.

- 2.3. The ICS will continue to support several of the Mayor's ambitions around enabling affordable housing delivery, supporting good growth and minimising the negative impacts of growth on London's environment and communities.
- 2.4. The Preparation phase will allow the ICS to collect further evidence of the benefits of coordination and the specific interventions being pursued by the GLA. This evidence has already emerged over the course of the pilot phase with monitoring and evaluation remaining an important focus in the next phase. This will help the team to develop and articulate the long-term, sustainable vision for the programme.

3. Equality comments

- 3.1. In line with the Mayor's ambitions, the objectives of the ICS aim to improve all Londoners' access to essential services, housing, and the city.
- 3.2. Infrastructure and development works often reduce the accessibility of roads and the public realm, negatively impacting several groups with protected characteristics. The ICS will aim to minimise impacts upon these groups by ensuring their needs are considered wherever possible at an early stage of project planning. Reducing the length of time of streetworks by working collaboratively will also help improve accessibility across London. The proposal also aims to improve the quality of London's public realm to ensure it caters to the needs of all Londoners, including those with protected characteristics.
- 3.3. In line with GLA's Recruitment and Selection policy, for any of the new posts advertised, we will welcome applications from everyone regardless of age, gender, ethnicity, sexual orientation, faith or disability.

4. Other considerations

Risk assessment:

Risk	Mitigation / Response	Probability	Impact
Stakeholder expectations not met, resulting in reputational risk to the GLA	<ul style="list-style-type: none"> establishment of a comprehensive work programme for the preparation phase with clear delivery targets dedicated stakeholder engagement officer focused on communicating projects and initiatives on an ongoing basis frequent updates to the Mayor's London Infrastructure Group, Lane Rental Governance Committee and Secretariat, and Infrastructure Coordination Steering Group 	LOW	HIGH
Financial risk to the GLA should funding not continue beyond two years or be suspended mid-project	<ul style="list-style-type: none"> the second phase of the service will only launch should further two-year funding be secured in February 2021 should funding not be secured for a second phase then GLA procedures for termination of contracts for staff will be followed, and costs of termination will be covered using project budget (contingency will be allocated for this) 	LOW	LOW

	<ul style="list-style-type: none"> a key workstream will be to identify longer-term funding opportunities, based on further monitoring and evaluation results and a stronger evidence base should Lane Rental Funding be suspended, withdrawal of funding would be staged in a way that allows the GLA to cover any existing commitments 		
Project milestones are not met, or are not met on time	<ul style="list-style-type: none"> a dedicated Delivery Manager will be in post to oversee delivery of the whole programme to ensure work is kept on track and to budget given reliance on external partners for some projects, an agile project management approach will also be used to allow for flexibility and adaptability 	LOW	MEDIUM
Aspects of the project will not deliver expected benefits	<ul style="list-style-type: none"> strong evidence has already been collected on the benefits delivered by the ICS during the pilot phase so there is strong reason to expect the programme will continue to deliver results extensive monitoring and evaluation will allow the team to assess if benefits are continuing to be delivered and if not, adjust the work programme accordingly 	LOW	HIGH

Links to Mayoral strategies and priorities:

Strategy	Links
Environment Strategy	<ul style="list-style-type: none"> help improve London's air quality by reducing congestion on roads and reducing vehicle movements associated with construction improve the efficiency of London's energy and water distribution networks, by improving coordination and master planning between providers, and between providers, boroughs and developers help to reduce ambient noise associated with construction, through improving the efficiency and speed of construction and road occupancy promote circular economy approaches to construction where possible
Transport Strategy	<ul style="list-style-type: none"> minimise disruption on roads and reduce the number of vehicle movements associated with construction integrate healthy streets interventions in collaborations to improve the quality of roads for all users
Housing Strategy	<ul style="list-style-type: none"> help to prevent costly delays and unforeseen costs associated with poor infrastructure planning on development sites help to reduce the overall cost of infrastructure to developers help to improve viability of development
The London Plan	<ul style="list-style-type: none"> help developers and infrastructure providers make the best possible use of land, by encouraging the use of utilities master planning, innovative approaches to co-location of assets, and preventing costly retrofitting help to accelerate housing delivery in areas of London that are poorly served by existing infrastructure increase the efficiency and resilience of infrastructure assets and developments through earlier engagement with providers and facilitate investment ahead of demand in utilities infrastructure

Economic Development Strategy	<ul style="list-style-type: none"> • reduce the impact of construction on London businesses and residents, to ensure that London's economy continues to grow productively • ensure that London remains a world-leader in planning and delivering new infrastructure, as well as maintaining existing infrastructure; promote positive perceptions of the city internationally
The Mayor's Equality, Diversity and Inclusion Strategy	<ul style="list-style-type: none"> • work with partner organisations to improve diversity and inclusion across the infrastructure sector

- 4.1. No one involved in the drafting or clearance of this document has any conflicts of interest to declare.

5. Financial comments

- 5.1. Approval is sought for the expenditure of up to £3.5m for the preparation phase of the Infrastructure Coordination Service and receipt from the TfL Lane Rental Governance Committee (subject to approval in early 2021) to fund the estimated costs of the project.
- 5.2. Approved project expenditure will occur over the 24-month duration of the phase and span 3 financial years. The split across years and spend categories are detailed below:

Expenditure	2021/2022	2022/2023	2023/2024	Total
GLA Staffing Costs & Support	£ 1,042,000	£ 1,250,000	£ 208,000	£ 2,500,000
Programme Budget	£ 420,000	£ 500,000	£ 80,000	£ 1,000,000
Total	£ 1,462,000	£ 1,750,000	£ 288,000	£ 3,500,000

- 5.3. With regards to the staffing resources required to support the programme of work, the intention is for all positions to be recruited on two-year contracts and it is noted that the service is expected to continue after this preparation phase, subject to securing further external funding. However, as these posts will be recruited on a fixed term contract basis, the GLA may become liable for redundancy and/or pension capital costs if the appointees have on-going continuous service from a local authority or similar body. These costs cannot yet be substantiated but in the event such costs do arise, they will be covered by the Lane Rental Surplus Income.
- 5.4. Once the funding position beyond this two-year preparation phase is confirmed, this will be subject to further approval via the Authority's decision-making process (including any staffing implications and / or termination of the work programme if not sustainable beyond the period or scaling up of the programme, whichever is applicable).

6. Legal comments

- 6.1. The GLA has wide powers under section 30 of the Greater London Authority Act 1999 (GLA Act) to promote economic development and wealth creation, promote social development, and promote the improvement of the environment, all in Greater London. These powers are sufficiently broad to cover the proposed use of funds in this decision.
- 6.2. There are restrictions under section 31 of the GLA Act on the GLA incurring expenditure on doing anything which may be done by Transport for London (TfL). To the extent that anything proposed in this decision might be done by TfL, under section 31(6) these restrictions do not prevent the GLA co-operating with, or facilitating or co-ordinating the activities of, TfL.
- 6.3. It is noted in the Executive Summary that "...the team is in the process of securing a further £3.5m from the Lane Rental Surplus Income for a second phase of work starting in June 2021. This has been

endorsed by London Infrastructure Group members, the GLA's Infrastructure Coordination Steering Group and members of the Lane Rental Governance Committee". The London Lane Rental Scheme is operated under the Street Works (Charges for Occupation of the Highway) (Transport for London) Order 2012. Under regulation 7 of the Street Works (Charges for Occupation of the Highway) (England) Regulations 2012, an "Approved Authority [of which TfL is one] must apply the net proceeds [of a lane rental scheme] for purposes intended to reduce the disruption and other adverse effects caused by street works". The application of any funding received from the Lane Rental Scheme should comply with this statutory requirement.

- 6.4. In taking this decision, the Mayor should have due regard to the public sector equality duty under section 149 of the Equality Act 2010, namely, the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. This requirement is addressed at section 3 above.

7. Planned delivery approach and next steps

- 7.1. The team is currently finalising the application paper for the next phase of work (preparation phase), due to be submitted on 22 January 2021. The funding is then expected to be approved at the next Lane Rental Governance Committee meeting on 22 February 2021.
- 7.2. Updates will be regularly provided to key stakeholders, the Mayor's London Infrastructure Group, the Infrastructure Coordination Steering Group and the Lane Rental Governance Committee, which will continue to monitor our progress.
- 7.3. Recruitment of the new posts is expected to start in March 2021, with a full team in place ready to deliver the work programme from June 2021, the start of the next phase.
- 7.4. The below table provides an indicative timeline of the project:

Activity	Timeline
Submission of the Lane Rental Surplus Income application	22 January 2021
Confirmation of funding approval	By end of February 2021
Advertising internally the new posts	February/March 2021
Start of new post holders	June 2021
Finalising the pilot phase deliverables and preparing the work programme for the preparation phase	April – June 2021
Beginning to deliver activities under the preparation phase	June 2021
Decision point for a long-term plan for the Infrastructure Coordination Service	December 2022

Appendices and supporting papers:

Appendix A – Business case for the creation of the Infrastructure Coordination Service

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved 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: The funding is due to be confirmed in February 2021.

Until what date: 15 March 2021

Part 2 - Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:

Simona Webb has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Phil Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Jules Pipe has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 14 December 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

D. Gane

Date

17 December 2020

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

14 December 2020