

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2508

### Title: Low Carbon Market Snapshot – 2021 Update

#### Executive Summary:

The project will quantify the size and nature of the Low Carbon and Environmental Goods and Services sector, provide data on sales, number of employees and number of businesses in the sector and make future growth forecasts in respect to sales. The resulting data will update the existing 2019 Low Carbon Market Snapshot that was undertaken by kMatrix with annual datasets up to 2020/21. This will continue the timeseries for this dataset that goes back to 2007/08 and provide a baseline for measuring the 'green economy' element of the Green New Deal mission.

The outputs of the research will provide insight and intelligence on the sector and its sub-sectors for use in the development, delivery and evaluation of the Green New Deal mission. The Green New Deal mission is aiming to double the size of the 'green economy' and this research will provide the baseline from which to assess the growth of the green economy. This is also one of the Mayor's priority sectors in his Economic Development Strategy.

This work, undertaken by kMatrix, will provide a better understanding of where growth is likely to happen in the sector, what skills will be needed to support that growth and how it can be supported.

#### Decision:

That the Interim Assistant Director of Environment and Energy approves:

1. Expenditure of up to £15,000 on consultancy services from kMatrix to provide an update to the Low Carbon Market Snapshot and the Low Carbon and Environmental Goods and Services Sector timeseries and provide a baseline for the 'green economy' as part of the Green New Deal mission; and
2. A related exemption from the requirements of the GLA's Contracts and Funding Code to procure such services competitively on the grounds that kMatrix has delivered the previous London Low Carbon Market Snapshot and that existing work cannot be separated from this new work.

#### AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Peter Daw

**Position:** Interim Assistant Director,  
Environment and Energy

**Signature:**



**Date:**

8 March 2021

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

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

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

- 1.1. The Low Carbon and Environmental Goods and Services sector has been used to represent the size of London's 'green economy' in the Mayor's London Environment Strategy, his Economic Development Strategy and in the London Recovery Programme's Green New Deal Mission.
- 1.2. The transition to a low carbon circular economy is the long-term aspiration for the economy complimented by an initial focus on the 'green' economy and this forms a central part of the Mayor's approach to a fair and green recovery from the coronavirus pandemic.
- 1.3. The low carbon and environmental goods and services sector or Cleantech sector has an important part to play in growing the 'green' economy and deliver a fair and green recovery.

#### *The Mayor's Green New Deal Fund*

- 1.4. In March 2020, the Mayor announced a multi-year, Green New Deal Fund to support projects aimed at reducing London's climate change emissions and other harmful environmental impacts such as air pollution, while equipping its citizens and businesses to benefit from the opportunities presented by the transition to a zero-carbon circular economy.

#### *COVID-19 and London's Recovery*

- 1.5. The London Recovery Board was established to lead London's recovery and is co-chaired by the Mayor of London and the Leader of London Councils. The Recovery Board's key outcomes include tackling rising unemployment, supporting communities, helping young people, narrowing inequalities and ensuring a cleaner and greener recovery.

#### *A Green New Deal Mission and the Mayor's Green New Deal Fund*

- 1.6. The Green New Deal mission, one of the London Recovery Board's nine missions, has been designed in collaboration with Boroughs and London Councils, taking account of the views of Londoners and stakeholders.
- 1.7. The mission has set the challenge of tackling the climate and ecological emergencies and improving air quality whilst doubling the size of London's green economy by 2030 to accelerate job creation for all.
- 1.8. The mission identifies the opportunity to support London's recovery through tackling some of London's defining environmental challenges, including the climate emergency and air quality, whilst creating jobs, developing skills and supporting a 'just' transition to a low carbon circular economy. The mission target date of 2030 reflects the scale of the transformation required, which is not simple or quick.
- 1.9. The Green New Deal Fund is a multi-year programme designed to support delivery of the Green New Deal mission. It has £22m over three years and is one very important lever to drive action in relation to the Green New Deal mission.
- 1.10. One of the objectives of the Green New Deal mission is to double the size of London's 'green economy' as estimated by its low carbon and environmental goods and services sector. The size of the 'green economy' will be baselined by this research and then monitored using London's existing low carbon and environmental goods and services sector timeseries that provides 10 years-worth of data.

- 1.11. This sector covers a wide range of businesses across the supply chain that contribute to tackling climate and environmental related challenges and provides a good proxy for the 'green economy'.
- 1.12. The most recent annual data that is currently available for the 'green economy' is for the year 2017/18, this is from the latest update published in 2019. This estimated the size of the low carbon and environmental goods and services sector or 'green economy' at £39.7bn in sales whilst it employed 246,073 people across 13,906 companies.
- 1.13. This research will provide the baseline for monitoring the size and nature of London's 'green economy'. It will also provide important insight into the make-up of the 'green economy', the strongest sectors and provide a sub-regional breakdown to the data to support local economic development activity, generate jobs and help solve the environmental challenges that London and other cities are facing.
- 1.14. The GLA now want to update the dataset with data for the years 2018/19, 2019/20 and 2020/21 to provide a baseline data set that will provide a starting point for the 'green economy' from which to measure its growth as well as a dataset to help inform economic development and business support programmes.

#### *Single Source Tender*

- 1.15. The GLA are proposing to spend £15,000 on consultancy services from kMatrix to update the London Low Carbon Market Snapshot – 2019 report. This is being proposed under Section 10 of the GLA Contracts and Funding Code due to the fact that kMatrix has delivered the previous London Low Carbon Market Snapshots and this existing work cannot be separated from this new work being proposed for baselining the size of London's 'green economy' to support the evaluation of the Green New Deal mission.
- 1.16. Appointing kMatrix to provide this update of the dataset (last supplied for the Low Carbon Market Snapshot in 2019) will also ensure the long-term consistency and relevance of the data sources and timeseries. It will use a consistent methodology and deliver value for money as they have developed the methodology, have direct access to relevant datasets and are able to re-run our datasets.
- 1.17. This consistency of methodology will allow the creation of a consistent timeseries, enabling comparisons across the eleven annual datasets, from 2007/08 to 2017/18. This creates greater levels of confidence in the data and the forecasts made from it as well as creating a baseline for monitoring and evaluating changes in the 'green economy' over time.
- 1.18. This will create an eleven-year dataset to support the development of London's Green New Deal mission. This will help inform policy development for London and enable the development of intelligence-based sector and sub-sector specific business support programmes.
- 1.19. Appointing kMatrix also enables the datasets for the entire Low Carbon Environmental Goods and Services sector to be broken down to a London borough level for all sub-sectors so that it can support individual London Boroughs and sub-regions in their economic development work around the Green New Deal mission.
- 1.20. This research will play an important role in informing policy direction for the Green New Deal, it will focus and tailor business support programmes and set the baseline from which to evaluate the size and growth of the 'green economy' in future years.

## **2. Objectives and expected outcomes**

- 2.1. To appoint kMatrix to provide an updated Low Carbon Market Snapshot for 2021 that is consistent with the existing data timeseries and broken down to a sub-regional and London Borough level.

- 2.2. To provide a high-level comparative dataset for the rest of the UK regions and nations to both assess London's performance and strengths against them as well as identify where there are opportunities for collaboration and partnerships within the supply and value chain. This will help inform the development of the Green New Deal mission.
- 2.3. To provide a projection/forecast of sectoral growth in London over the next 3-5 years for the low carbon and environmental goods and services sector or 'green economy'.
- 2.4. To identify the sub-sectors within the low carbon and environmental goods and services sector or 'green economy' where London is strongest as well as those sub-sectors that are experiencing the greatest levels of growth in their respective global market. This will be used to make recommendations around the type of support these sub-sectors may need to help them continue and even accelerate their growth. This will also help inform future skills workstreams by indicating where growth is expected to happen in the sector and therefore where capacity may impact on delivery.
- 2.5. To highlight the sub-sectors within the Low Carbon and Environmental Goods and Services sector that can help address the environmental challenges facing London, as highlighted in the London Environment Strategy. This will inform the type of support that these sub-sectors may need to help them continue and even accelerate their growth.

### **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010, in making these decisions "due regard" must be had 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 have a protected characteristic and those who do not. Protected characteristics include age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender, sexual orientation (and marriage or civil partnership status for the purpose of the duty to eliminate unlawful discrimination only).
- 3.2. The Mayor's Equality, Diversity and Inclusion Strategy sets out how he will work to create a fairer, more equal, integrated city where all people feel welcome and able to fulfil their potential. Equality, diversity and inclusion are subsequently enshrined within the GLA's strategies, programmes and activities.
- 3.3. The transition to a Low Carbon Circular Economy is not only about addressing environmental issues associated with economic development but also about addressing social issues and creating a more inclusive approach and greater equality of opportunity for London's citizens across society.
- 3.4. The 'Just' transition forms part of our approach to the low carbon circular economy transition and this is all about better understanding where growth is likely to happen so that we can help ensure that Londoners and businesses have the opportunity and skills required to access the economic opportunities created by this transition.
- 3.5. This is a research project looking at the size and nature of London's low carbon circular economy. We will ensure our equalities duty is met through the procurement of the project and ensuring that the results of this project will not only be relevant and applicable to all people and groups in society but will also help inform our business and skills development programmes around this workstream.

#### 4. Other considerations

##### *a) Key risks and issues*

Risk	Mitigation
Update of existing data time-series is not consistent and consequently not comparable with the existing data time-series that goes back to 2007/08 for this dataset.	Procure an update of the existing data time-series using the same methodology as previous data-sets.
There is no updated Low Carbon and Environmental Goods and Services sector dataset available to provide a baseline for the Green New Deal mission	This dataset will provide a detailed baseline and extensive insight into the sector and its sub-sectors allowing projects and programmes to be developed to support the opportunities presented by the Green New Deal and support growth of the 'green economy'
There is no data available to enable an intelligence-based development of London's 'green economy' and the Green New Deal mission	This dataset will provide detailed and extensive insight into the sector and its sub-sectors allowing policy and support programmes to be developed to support the needs of the sector and its sub-sectors.

##### *b) Links to Mayoral strategies and priorities*

- 4.1. This project has direct links to the priorities of the London Recovery Board and has an integral part to play in the Green New Deal mission, which aims to double the size of London's green economy by 2030, and this project will provide the baseline from which to evaluate that aim.
- 4.2. The Mayor's London Environment Strategy and Economic Development Strategy set out the role and importance of London's transition to a low carbon circular economy.
- 4.3. The London Environment Strategy has a chapter on the transition to a low carbon circular economy and the important role that this transition will play in addressing London's environmental challenges.
- 4.4. The Low Carbon Environmental Goods and Services sector is a priority sector in the Economic Development Sector and this research will help it to support activity and growth in that sector.

##### *c) Consultations and impact assessments*

- 4.5. This project is designed to support the delivery of the Mayor's London Environment Strategy and his Economic Development Strategy, meet his zero carbon by 2030 target and support the delivery of the recovery and specifically the Green New Deal mission.
- 4.6. The programmes that this project will help shape have been identified in the London Environment Strategy and the Economic Development Strategy and therefore have already been consulted on as part of these strategies. As part of the development and delivery of this project the outputs will continue to feed into the development and outcomes of business support projects developed to support the development of London's low carbon circular economy.
- 4.7. An Impact Assessment was undertaken for the London Environment Strategy and the Economic Development Strategy and their associated programmes. As this project will help deliver the objectives identified in the original impact assessments it is still relevant to the project.

- 4.8. The London Recovery programme and Green New Deal Mission have been consulted on widely via Team London and direct stakeholder engagement.

*d) Conflicts of Interest*

- 4.9. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

## **5. Financial comments**

- 5.1. Approval is being sought by the Climate Change and Energy team for expenditure in the sum of £15,000 on consultancy services provided by Kmatrix to provide data for the Low Carbon Market snapshot project. The funding source for this project comes from the available Zero Carbon budget held within the Environment unit.
- 5.2. As the activity will be undertaken across two financial years, the indicative profile of expenditure of the first £10,000 being spent will come from the 2020/21 financial year and the final £5,000 from the available funds in the 2021-22 financial year following the GLA budget setting process.
- 5.3. Procurement of consultancy services from Kmatrix will be made via a Single Source Justification as the consultants have worked on a previous LCM snapshot project.

## **6. Legal comments**

- 6.1. The foregoing sections of this report indicate that:
- the decisions requested of the assistant director concern the exercise of the GLA's general powers, falling 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 economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and
  - in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
    - pay due regard to the principle that there should be equality of opportunity for all people;
    - consider how the proposals will contribute towards the achievement of sustainable development in the United Kingdom; and
    - consult with appropriate bodies.
- 6.2. In taking the decisions requested, the assistant director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the assistant director should have particular regard to section 3 (above) of this report.
- 6.3. Section 9.1 of the Contracts and Funding Code (the '**Code**') requires the GLA to seek a call-off from a suitable framework, where possible, or if not, opt for competitive tendering seeking three or more written quotes. However, the assistant director may approve an exemption from this requirement under section 10 of the Code upon certain specified grounds. The officers have set out at paragraph

1.15 of this report the reason why they believe this meets the exemption. On this basis the assistant director may approve the proposed exemption if satisfied with the content of this report.

- 6.4. Officers must ensure that appropriate contract documentation is put in place with and executed by the GLA and kMatrix before the commencement of the required services.

## **7. Planned delivery approach and next steps**

### **7.1. Outline timetable**

<b>Activity</b>	<b>Timeline</b>
Procurement of contract	March 2021
Delivery Start Date	w/c 8 March 2021
First milestone – Datasets 2018/9 and 19/20	26 March 2021
Second milestone – Dataset 2020/21	June 2021
Delivery End Date	August 2021
Project Closure:	September 2021

### **Supporting papers:**

Single Source Request form

**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? NO**

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

**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 – YES/NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

Simon Wyke has drafted this report in accordance with GLA procedures.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 8 March 2021.

**ASSISTANT DIRECTOR OF FINANCIAL SERVICES:**

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

**Signature**



**Date**

8 March 2021