

REQUEST FOR DIRECTOR DECISION – DD2143

Title: Hydrogen London Partnership Budget and Expenditure 2017/18

Executive Summary:

This Director Decision authorises the Hydrogen London Partnership budget for 2017/18 and associated programme activity. The programme budget consists of income from membership fees (£76,885) and EU funding (£7,183) which the GLA manages on behalf of the Partnership. The Partnership have been consulted on and agree the proposed budget priorities.

Decision:

That the Director approves:

1. the programme of work for 2017/2018 to support the increase in activities in the hydrogen sector in London in line with the Mayor's strategy;
2. the associated programme budget of £ 84,068 (£46,068 income in advance from 2016/17 (£38,885 membership fees and £7,183 funding for EU HYLAW project); £38,000 from membership fees to be committed during the 2017/18 financial year as agreed by the Hydrogen London Partnership Executive Committee (March 2017) and the GLA; and
3. the associated expenditure in relation to the programme of work.

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:

H. Kleinman (on)

Date:

1.8.17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Hydrogen London was set up in 2002 as the London Hydrogen Partnership to develop a network of hydrogen fuel cell (HFC) stakeholders in the capital and help develop HFC technologies in London.
- 1.2 Hydrogen London is a public/private partnership that consists of an Executive Committee, two Project Groups (the Infrastructure Vehicle Group and the Stationary Group) and a Partnership manager, acting as Secretariat for the Partnership, based at City Hall (which coordinates the partnership's day to day activities). The deputy Mayor for Environment and Energy is the Chair of the Partnership. The partnership also has a Vice-Chair to represent industry members and is involved in the day to day activities.
- 1.3 Hydrogen London aims to:
- deliver a series of interconnecting hydrogen refuelling facilities in London;
 - deliver demonstration and deployment projects of early commercial hydrogen powered vehicles;
 - support the delivery of standards and regulations for the sector;
 - support and encourage portable hydrogen powered applications. Take advantage of opportunities such as the NRMM (Non Road Mobile Machinery) Low Emission Zone to increase uptake of the technology;
 - support and encourage uptake of fuel cell units in London – in buildings and larger developments;
 - raise awareness and disseminate the technology to stakeholders;

Hydrogen London has a proven track record of securing more than €50 million worth of hydrogen projects in London. One of these projects is coordinated by the GLA and it secured approximately €30 million with €400,000 funding for the GLA to appoint two officers (as per Mayoral Decision 1306) to coordinate the delivery of the project and to support dissemination and communication activities.

- 1.4 The GLA contribution to the Partnership activities is in form of staff time (grade 8 time to manage the day to day activities and a percentage of grade 10 oversight).

Link with Mayoral Strategies

- 1.5 Hydrogen London works on developing London's hydrogen sector in line with Mayoral priorities. The aim is to move beyond demonstrations and trials and to commercialise hydrogen and fuel cell projects that support the Mayor's environmental, transport, social, economic and development priorities. The objectives and outcomes set out in this document have been informed by priorities set out in the draft Mayor's Transport Strategy and proposed in the draft London Environment Strategy, and the emerging London Plan and will support their implementation.

- 1.6 There is an increasingly urgent need for cities across Europe and beyond to address poor air quality, which has significant impacts on citizens' health and is largely caused by road transport emissions. In addition, many countries have committed to reducing greenhouse gas emissions and reliance on fossil fuels. There is strong interest in hydrogen fuel cells as a solution to these challenges, with high levels of investment in developing and demonstrating the technology in recent years, and a number of countries implementing national rollout plans.

Link with National strategies

- 1.7 National governments are interested in the technology due to the overall benefits a transition to a hydrogen-based economy can yield:
- Road transport decarbonisation – since hydrogen can be produced from various energy sources, including renewables.
 - New economic opportunities – local production and supply of fuel (and potentially vehicles) creates new opportunities across the value chain.
 - Diversity of energy supply – reducing reliance on imported fossil fuels.
 - Reduced local environmental impact – FCEVs offer quiet operation and no harmful tailpipe emissions.
 - Benefits of large scale fuel cell units for combined heat and power (CHP) – particularly in terms of air quality and reliability.
 - Economic and environmental benefits of developing further the use of low power fuel cell units – eg. in lighting towers, CCTV and road signs.

2. Objectives and expected outcomes

- 2.1 This document seeks approval for the expenditure of the Hydrogen London budget and associated spends, in line with the agreed priorities set out by the executive committee and the GLA.
- £67,885 to develop London's current Hydrogen portfolio through: feasibility studies or submitting new bids under relevant funding streams; studies that add to the economic and environment case for the technology. Any activities undertaken in this category will further support the transition from demonstration to full integration of hydrogen fuel cell technologies in wider alternative fuels sector (example: further work on hydrogen buses integration in TfL fleets; commercial vehicles applications; NRMM to support the objective to reduce emissions from the construction sector). This is in line with priorities set out in the draft Mayor's Transport Strategy and proposed for the draft London Environment Strategy, and the emerging London Plan and will support their implementation.
 - £7,183 to cover costs for activities undertaken in the HyLAW project that the GLA is a consortium member of. HyLAW is an EU (FCH-JU) funded project aimed at identifying and addressing legal and administrative barriers to the Fuel Cell and Hydrogen sector across Europe.. The funding covers time allocated to the project by grade 8 overseeing hydrogen activities as well as travel, events and marketing materials related to the project.
 - £3,000 for marketing and website development. The Hydrogen London website is the platform to promote the technology, activities and ongoing projects. This links to the London.gov.uk website and is visited by people interested in the technology as well as by those in the industry. We would like to build on the current site and add more interactive

content as well as impartial graphics about the technology – this would also be used and developed for social media and events material. We will also aim to design posters and flyers disseminating the technology. This expenditure is estimated based on previous year's activities.

- £2,000 for travel and miscellaneous expenses. Hydrogen London is involved in many projects at EU and UK level and also the team will be attending relevant events which may require UK and EU travel. One important example of this is participation in the FCH-JU Regions and Cities programme aimed at expanding the use of applications in cities across Europe. This expenditure is estimated based on previous year's activities.
- £4,000 for Quarterly Meetings and Events. We currently host 4 annual quarterly meetings for the entire Partnership. We would look to build on the success of the last two year's Hydrogen Week and organise this again in early 2017. We will also aim to attend relevant events throughout the year. This expenditure is estimated based on previous year's activities.

- 2.2 Occasionally new opportunities arise which Hydrogen London needs to respond to quickly in order to exploit. Any such opportunities would be pursued instead of (rather than in addition to) one of the planned projects outlined above, and would therefore not require additional net spend. Any substitution would be approved via the Assistant Director and/or Executive Director of Development, Enterprise and Environment.

3. Equality comments

- 3.1 The measures being delivered by Hydrogen London's work programme will deliver improvements in air pollution that will have benefits for all Londoners, including those with a recognised protected characteristic.
- 3.2 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.
- 3.3 Newham, Brent, Redbridge, Hackney and Tower Hamlets are the Boroughs that have the highest proportion of most deprived populations (top 30% deprived) in London's areas of worst air quality. Tower Hamlets, Camden, Southwark, Islington and City of Westminster are the Boroughs that have the highest numbers of people living in London's worst air quality areas. These Boroughs in particular need targeted action to reduce inequalities in access to clean air.
- 3.4 No special gender, religion or sex orientation equality issue is expected to arise. If any issue will arise, it will be promptly resolved at as a part of the daily project management.

4. Other considerations

- 4.1 The Mayor views hydrogen as a zero – ultra low emission technology which will provide clean energy, reduce carbon emissions and noise, and improve air quality. Hydrogen London activities support the delivery of other strategic priorities including the London Plan, London Environment Strategy, the Transport Strategy and Economic Development Strategy.

5. Financial comments

5.1 Approval is being sought to approve the Hydrogen London Partnership expenditure for 2017-18 and the associated programme of activity.

5.2 As described in section 2 above, the estimated cost of this programme is £84,068 and broken down as follows:

	£
Programme Development work	67,885
Contribution to HyLAW project	7,183
Marketing and Website development	3,000
Travel and miscellaneous expenses	2,000
Hydrogen meetings and events	4,000
Total Expenditure	84,068

5.3 The expenditure will be funded the London Hydrogen Programme Budget which is a combination of income in advance carried forward from 2016-17 to 2017-18 and membership fees for 2017-2018:

	£
Income in advance carried forward from 2016-2017	46,068
Projected Hydrogen London Membership Fee income for 2017-18	38,000
Total Income	84,068

5.4 To ensure spend does not exceed funding; work for any specific element of the work programme will not proceed until adequate funds have been secured i.e. there is enough Hydrogen London Membership Fee income. It is possible that the programme will have to forego or defer some projects.

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:

- 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 a protected characteristic and those who do not;
- 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

- consult with appropriate bodies.

6.2 Officers should ensure that:

- 6.2.1 to the extent that the activities to which the decisions impact upon staffing matters, that all relevant Authority HR protocols are followed, including where appropriate the need to obtain the Head of Paid Service's approval of any creation/deletion of posts;
- 6.2.2 to the extent that any grant funding is awarded for the delivery of the programme, appropriate documentation is put in place before any reliance is placed on the funding and that the funding is distributed in a manner which is fair, transparent, considered to afford value for money and accords with the requirements of the GLA's Contracts and Funding Code;
- 6.2.3 to the extent that works/services/supplies are required, these must be 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 that appropriate documentation is executed by the successful bidder(s) and the GLA before the commencement of the works/services/supplies; and
- 6.2.4 any grant funding is distributed fairly, transparently, in accordance with the GLA's equalities and in a manner which affords value for money in accordance with the GLA's Contract and Funding Code. Appropriate funding agreements should be put in place between the GLA and the Recipient before any commitment to fund is made.

7. Planned delivery approach and next steps

Activity	Timeline
Funding bids or feasibility studies	July 2017 – March 2018
Quarterly Meetings	May 2017- March 2018
Events	Ongoing
Hydrogen Week	March 2018
Programme Development	Ongoing

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

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:

Matthew Dear & Simona Webb have 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.

✓

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 31 July 2017.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Elle

Date

1.8.17

