

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD1355

**Title:** Hydrogen London Partnership Expenditure 2015/16

### Executive Summary:

This decision requests approval of the Hydrogen London Partnership 2015/16 programme activity.

### Decision:

The Executive Director approves:

- receipt of up to £41,000 income from projected Hydrogen London membership fees;
- expenditure of up to £110,489 in the 2015/16 financial year.

### AUTHORISING DIRECTOR

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

It has my approval.

**Name:** Fiona Fletcher Smith

**Position:** Executive Director, Development, Enterprise and Environment

**Signature:**



**Date:** 18.6.15.

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

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

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

- 1.1 Hydrogen London was setup in 2002 as the London Hydrogen Partnership (LHP) 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 Secretariat based at City Hall (which coordinates the partnership's day to day activities). The Mayor's Senior Advisor for Environment and Energy chairs the partnership.
- 1.3 Hydrogen London works on delivering the London Hydrogen Action Plan (LHAP). LHAP makes the case for hydrogen investment and sets out the strategic framework and timeline (from now until 2016) for an action plan addressing vehicles and infrastructure, production and storage, stationary and early market applications. It aims to move beyond demonstrations and trials and to commercialise hydrogen and fuel cell projects that support the priorities of the Mayor's Economic Development Strategy, Climate Change Mitigation and Energy, Air Quality and Transport Strategies. The delivery of the action plan is being managed by the Hydrogen London Secretariat.
- 1.4 The main aims of the Hydrogen Programme are 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 for hydrogen refuelling stations in London;
  - raise awareness and disseminate the technology to stakeholders.
- 1.5 Hydrogen London has a proven track record of securing more than €50 million worth of hydrogen projects in London. Another bid was submitted in May 2013 which secured approximately €30 million with €400,000 funding for the GLA to appoint two officers (as per MD1306) to coordinate the delivery of the project and to support dissemination and communication activities.
- 1.6 The hydrogen programme is linked with 'Improving London's air quality' which is a priority sitting under the objective 'A resilient, green city'. We will achieve this by influencing government and European policy, engaging with hydrogen stakeholders, securing European funding and delivery of programmes with partners including TfL.
- 1.7 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 transport 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.
- 1.8 Fuel cell electric vehicles (FCEVs) offer all the positive features of battery electric vehicles (no harmful emissions at point of use, shift from petroleum-based fuels etc.). They also offer a long range (500km+) and fast refuelling times (c.3 minutes). The lack of compromise on offer to drivers compared to conventional vehicles explains why automotive original equipment manufacturer's

(OEMs') have invested in developing the technology over the last few decades (which runs into €billions).

1.9 National governments are interested in the technology due to the overall benefits a transition to a hydrogen-based transport system 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.

## 2. Objectives and expected outcomes

2.1 This document seeks approval for the expenditure of the Hydrogen London budget, in line with the agreed priorities set out in the LHAP. The Mayor's Senior Advisor for Environment and Energy and the LHP Executive Committee have approved this work programme (April and March 2015 respectively), which consists of the activities outlined below.

- £52,000 for the cost of a Grade 8 post (approved under Head Of Paid Service Decision 159 until September 2017) to manage the Partnership's day to day activity. This resource will carry out the secretariat duties involved in running the LHP along with supporting London's strategic hydrogen agenda and pursuing new strategic opportunities for the Partnership. This will be funded partly by the GLA contribution for the programme and partly by Membership Fees.
- £40,000 to develop London's current Hydrogen portfolio through: submitting new bids under the FCHJU2 call due to be launched in July 2015/any other relevant funding streams or through preparing a feasibility study in order to identify the best means to develop London's Hydrogen sector.
- £10,000 for building on the success of the London Schools Hydrogen Challenge. The LHP will look to continue developing tomorrow's hydrogen market by heightening 11-16 year students' awareness of, interest in, and demand for cleaner hydrogen technology in London. These efforts will include delivery of a hands-on technology project, and produce engaging new web-based material with use of social networking tools to reach broader markets and to further enhance the positive image of hydrogen among tomorrow's scientists, technologists and customers. The challenge will run until March 2016.
- £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.
- £2,000 for travel and miscellaneous expenses. Hydrogen London is involved in many projects at EU and UK level (TSB funded projects, UK H2 Mobility, FCH-JU fuel cell study) which may require UK and EU travel. The person managing the programme will also travel to events and promote London's activity.

- £3,489 for Quarterly Meetings and Events. We currently host 12 annual quarterly meetings for the entire Partnership, for the Transport Delivery Group and the Stationary applications Group. We would also look to work with at least one organisation to host one large Hydrogen event and seek leverage from them in terms of catering costs.

2.2 Occasionally new opportunities arise which the LHP 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 within HyFIVE. If any issue will arise, it will be promptly resolved as a part of the daily project management.

### 4. Other considerations

- 4.1 The LHAP is a priority contained within the GLA strategic Plan. The Mayor views hydrogen as a zero emission (at tailpipe) technology which will provide clean energy, reduce carbon emissions and noise, and improve air quality. The LHAP also supports the delivery of other strategic priorities identified in the Plan including the London Plan, the Climate Change Mitigation and Energy Strategy, the Transport and Economic Development strategies.

### 5. Financial comments

- 5.1 Director approval is requested to approve Hydrogen London Partnership expenditure for 2015-16 and the associated programme of activity.
- 5.2 As described in section 2 above the estimated cost of this programme is £110,489 and broken down as follows:

EU Joint Technology Initiatives funding bids	£ 40,000
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Grade 8 Senior Policy and programme officer for LHP secretariat	52,000
London Schools Hydrogen Challenge (agreed separately by DAR)	10,000
Marketing and Website development	3,000
Travel and miscellaneous expenses	2,000
Hydrogen Meetings and Events	3,489
<b>TOTAL EXPENDITURE</b>	<b>110,489</b>

5.3 It is proposed to fund this expenditure from a mixture of programme budget, income in advance carried forward from 2014-15 and 2015-16 membership fees, broken down as follows:

	£
2015/16 GLA Programme Contribution	40,000
Income carried forward from 2014-15	29,489
Projected Hydrogen London Membership Fee income	41,000
<b>TOTAL INCOME</b>	<b>110,489</b>

5.4 The income carried forward (£29,489) relates to leftover budget previously allocated to EU bid writing (2 bids were planned for, and only one was submitted).

5.5 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.

5.6 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.

5.7 All requisite budget adjustments will be made.

5.8 If any of the programmes relates to a contract, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to.

5.9 If any contract is consultancy based, officers also have to ensure that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are adhered to.

5.10 The Environment Team within the Development, Enterprise and Environment Directorate will be responsible for managing this project.

## 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<sup>1</sup>;
- 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

<b>Activity</b>	<b>Timeline</b>
Schools Hydrogen Challenge	June 2015 – March 2016
Funding bids or feasibility study	July 2015 – March 2016
Quarterly Meetings	May 2015- March 2016
Events	March 2016
Delivery End Date [for project proposals]	September 2015/March 2016
HOP 159 for grade 8 Senior Policy and programme officer	Sep 2017

<sup>1</sup> The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status.

**Appendices and supporting papers:**

<p><b>Public access to information</b> 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.</p> <p>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.</p> <p><b>Note:</b> This form (Part 1) will either be published within one working day after approval <u>or</u> on the defer date.</p>
<p><b>Part 1 Deferral:</b></p> <p><b>Is the publication of Part 1 of this approval to be deferred? NO</b> If YES, for what reason: Until what date: (a date is required if deferring)</p>
<p><b>Part 2 Confidentiality:</b> 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.</p> <p><b>Is there a part 2 form – NO</b></p>

<p><b>ORIGINATING OFFICER DECLARATION:</b></p> <p><b>Drafting officer:</b> <u>Matthew Dear &amp; Simona Webb</u> have drafted this report in accordance with GLA procedures and confirms that:</p> <p><b>Assistant Director/Head of Service:</b> <u>Patrick Feehily</u> has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.</p> <p><b>Financial and Legal advice:</b> The <u>Finance and Legal</u> teams have commented on this proposal, and this decision reflects their comments.</p>	<p>Drafting officer to confirm the following (✓)</p> <p>✓</p> <p>✓</p> <p>✓</p>
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<p><b>EXECUTIVE DIRECTOR, RESOURCES:</b></p> <p>I confirm that financial and legal implications have been appropriately considered in the preparation of this report.</p> <p><b>Signature</b> <i>M. D. ELLC</i>                      <b>Date</b> <i>18-6.15</i></p>
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