

Environment Committee Response

Mayor's draft Climate Change Mitigation and Energy Strategy

March 2010



Environment Committee Response

Mayor's draft Climate Change Mitigation and Energy Strategy

March 2010

Copyright

Greater London Authority

March 2010

Published by

Greater London Authority

City Hall

The Queen's Walk

More London

London SE1 2AA

www.london.gov.uk

enquiries 020 7983 4100

minicom 020 7983 4458

ISBN

This publication is printed on recycled paper

Environment Committee Members

Murad Qureshi (Chair)	Labour
Darren Johnson (Deputy Chair)	Green
Gareth Bacon	Conservative
James Cleverly	Conservative
Roger Evans	Conservative
Nicky Gavron	Labour
Mike Tuffrey	Liberal Democrat

Contents

1	Introduction	7
2	The Mayoral contribution to achieving the Mayor's target	8
3	Energy supply	13
4	Energy efficiency	17
5	Transport	20
6	Creating a low carbon London	23
	Appendix 1 Recommendations	26
	Appendix 2 Principles of scrutiny page	29

1 Introduction

- 1.1 In February, the Mayor published a consultation with the Assembly and functional bodies on his draft Climate Change Mitigation and Energy Strategy (the draft strategy). This is the Environment Committee's response on behalf of the Assembly and ultimately on behalf of Londoners.
- 1.2 Climate change is one of the most serious challenges facing London. The Mayor says in the draft strategy that it is a major global priority that requires urgent action. The Committee has conducted investigations into climate change issues regularly for several years, and draws on these for this response. The Committee has also considered the draft strategy and put questions to the Mayor's environmental advisor, Isabel Dedring, and other officers. The Committee also met with Peter Elsmann, from the Copenhagen municipal government, who gave a presentation on Copenhagen's aim to be carbon neutral by 2025.¹
- 1.3 The Committee has considered whether the strategy is working towards the right climate change mitigation and energy goals for London, and how far the measures it proposes are likely to achieve these goals.
- 1.4 Overall, the Committee welcomes the Mayor's work to address climate change and energy issues. This response identifies some areas where the Committee considers that improvements to the strategy would be helpful.

¹ Environment Committee 11 March 2010, transcript page 1

2 The Mayoral contribution to achieving the Mayor's target

- 2.1 The headline target in the Mayor's draft Climate Change Mitigation and Energy Strategy (the draft strategy)² is to reduce London's carbon dioxide (CO₂) emissions by 60 per cent against 1990 levels by 2025. This target has been set by both the previous and the current Mayor³. The UK national target is for a 34 per cent reduction by 2022 and an 80 per cent reduction by 2050⁴.
- 2.2 The Mayor's target amounts to a reduction in annual emissions of 27.1 million tonnes of carbon dioxide (MtCO₂).⁵ It is to be delivered by a mixture of different policies, from both the Mayor and the government, as set out in the table below:

Table 1: Policies to reduce London's CO₂ emissions

Policy	Emissions reduction by 2025	
	MtCO ₂ ⁶	Percentage of 1990 emissions
Pre-2009 policies ('business as usual')	3.4	8
UK Low Carbon Transition Plan ⁷	9.5	21
Mayor's Climate Change Mitigation & Energy Strategy ⁸	9.2	20
Committee on Climate Change recommendations ⁹	3.6	8
Additional measures required	1.3	3
Total	27.1	60

- 2.3 The measures in the Mayor's draft strategy are expected to deliver about one-third of the targeted 60 per cent cut in emissions. Government measures are to contribute most of the remainder, leaving a gap of 1.3 MtCO₂, or about 3 per cent of 1990 emissions. The draft strategy labels this gap 'additional government measures'¹⁰

² Delivering London's energy future: the Mayor's draft Climate Change Mitigation and Energy Strategy for consultation with the London Assembly and functional bodies. February 2010.

<http://www.london.gov.uk/priorities/environment/climate-change/climate-change-mitigation-strategy>

³ Action Today to Protect Tomorrow: The Mayor's Climate Change Action Plan. February 2007

⁴ <http://www.theccc.org.uk/reports/building-a-low-carbon-economy>

⁵ Draft strategy, pages 28-30

⁶ Draft strategy, pages 30-31

⁷ The UK Low Carbon Transition Plan is government policy adopted in July 2009:

http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx

⁸ The effect of the Mayor's draft strategy includes the effect of national programmes enabled in London by Mayoral facilitation, such as the Carbon Emissions Reduction Target and Warm Front: draft strategy pages 96-98 and appendix C

⁹ The recommendations of the Committee on Climate Change have been accepted by the Government:

<http://www.theccc.org.uk/reports/building-a-low-carbon-economy>,

<http://hmcc.s3.amazonaws.com/DECCresponsetoProgress%20-%20press%20release14.01.10.pdf> and

http://decc.gov.uk/en/content/cms/news/PN10_005/PN10_005.aspx

¹⁰ Draft strategy, page 31

and makes initial suggestions for further measures, mainly relying on Government actions.¹¹ However, the Committee heard that the GLA team intends to 'firm [them] up in more detail for the next version of the Strategy'¹².

Recommendation 1

The public draft of the strategy should contain a set of options for further carbon reduction measures so that, in combination with 'business as usual' projections, committed government plans and the Committee on Climate Change recommendations, the effect of the Mayor's strategy is sufficient to meet his 60 per cent emissions reduction target by 2025

¹¹ Draft strategy, pages 112, 126,

¹² Environment Committee 11 March 2010, transcript page 13

Longer-term strategy

- 2.4 The expected CO₂ reduction effect of Mayoral policies increases rapidly between 2010 and 2018 (on average over 0.8 MtCO₂ extra effect each year), but then slows down (on average less than 0.2 MtCO₂ extra effect each year), as shown in Table 2. The Mayor should consider whether more can be done in future to sustain this higher level of increase beyond 2018, in order to meet the overall 60% reduction target by 2025 and targets beyond that date.

Table 2: CO₂ reduction from Mayoral strategy 2008-2025

Year	CO ₂ reduction from Mayoral strategy		
	Total ¹³	Annual	
2008	0.51	0.51	
2009	0.55	0.04	
2010	1.15	0.60	
2011	1.67	0.52	
2012	2.73	1.06	
2013	3.45	0.72	
2014	4.55	1.10	
2015	6.01	1.46	
2016	6.43	0.42	
2017	7.13	0.70	Average 2010-2018
2018	7.91	0.78	0.82
2019	8.12	0.21	
2020	8.49	0.37	
2021	8.68	0.19	
2022	8.89	0.21	
2023	9.11	0.22	
2024	9.23	0.12	Average 2019-2025
2025	9.24	0.01	0.19

¹³ Draft strategy page 31, figure 2.5; numerical values provided in Mayoral Answer 0668/2010 to Darren Johnson on 24 February 2010

Recommendation 2

The Committee would welcome the public draft of the strategy formally adopting the national 2050 carbon reduction target of 80 per cent or more for London. The next draft should also address the implications up to 2025 of at least an 80 per cent reduction in CO2 by 2050 and develop a roadmap towards meeting this objective.

Monitoring data

- 2.5 The most recent emissions figures in the strategy are for 2006. The Mayor's adviser told the Committee that the next draft of the strategy is expected to contain 2008 figures, and welcomes this. The Committee was also told that the process at a national level of aggregating emissions data and then re-allocating them to regions is responsible for this lag of two to three years in the publication of official emissions data. The Committee heard that the GLA is seeking a way to obtain provisional data for London on a shorter timescale, to enable more effective monitoring of progress against the strategy.¹⁴

Recommendation 3

The public draft of the strategy should include a proposal for an annual CO2 reduction target and commit to provide annual monitoring reports.

- 2.6 The plans in the draft strategy are for increases in both generation capacity and actual generation of renewable and decentralised energy. There is therefore a need to measure the generation of energy from these sources, including small-scale and decentralised installations.

Recommendation 4

The public draft of the strategy should commit to improve data quality on how much renewable and decentralised energy is generated in London and the resultant carbon savings, working with relevant bodies such as local authorities, Ofgem and energy supply companies as necessary.

¹⁴ Environment Committee 11 March 2010, transcript page 14

Emissions reductions plans by sector

- 2.7 Table 3 shows where the draft strategy expects the CO2 reductions to come from to achieve the 60 per cent reduction target.

Table 3: CO2 reductions by sector and by policy, 2006-2025¹⁵

MtCO ₂	Homes	Workplaces	Transport	All sectors
2006 emissions	17.09	20.52	9.87	47.48
Reductions from:				
Business as usual	2.17	1.72	1.92	5.81
Government plan	2.82	5.66	1.06	9.54
Mayoral strategy	4.84	3.90	0.49	9.23
CCC recommendations	0.95	1.85	0.78	3.58
Additional measures	0.59	0.46	0.24	1.29
Total reduction	11.37	13.59	4.49	29.45
2025 emissions target	5.73	6.93	5.38	18.04

¹⁵ Draft strategy, figures 5.3, 6.3 and 8.4; numerical values supplied in Mayoral Answer 0668/2010 to Darren Johnson on 24 February 2010

3 Energy supply

- 3.1 As the draft strategy highlights, total emissions from energy supply including heating were 36.8 MtCO₂ in 2006, some 80 per cent of London's total emissions of 47.5 MtCO₂. Success in delivering the Mayor's overall reduction target rests on decisive and timely action in this sector. National and EU policies play the major role but the Mayor cannot be complacent.

The national grid

- 3.2 The draft strategy focuses on reducing the carbon emissions generated per unit of electricity used. While there is a significant contribution from national measures to 'decarbonise' the electricity generated for the national grid, the Mayoral measures relate to decentralised energy generation within London¹⁶. While the Committee agrees with the Mayoral Advisor on the Environment that more emphasis should be placed on this element¹⁷, Committee Members said that there could be further scope for the Mayor to promote renewable energy generation nationally and particularly within the South East region: for example, by engaging with the South East region to take forward projects such as the London Array. One suggestion discussed was that London Underground might use its purchasing power to secure additional renewable electricity supply.¹⁸ The Committee wrote to the previous Mayor on 25 January 2005 to recommend this and therefore the Committee would welcome exploration of this idea.

Decentralised energy

- 3.3 The draft strategy's goals require a more than seven-fold increase in decentralised energy (DE) capacity: an increase of about 25,000 GWh/year. Of this, at least a quarter is to come from projects that are not yet identified but are expected to be brought about by 'improving market conditions'.¹⁹ The total capacity increase will require investment of about between £5 billion and £7 billion.²⁰
- 3.4 The draft strategy provides policies to encourage this capacity through the planning system²¹ and by providing exemplar projects and some financial support to catalyse private investment.²² The direct investment identified (£64 million of JESSICA funding and perhaps

¹⁶ Draft strategy page 63

¹⁷ Environment Committee 11 March 2010, transcript page 18

¹⁸ Environment Committee 11 March 2010, transcript page 19

¹⁹ Figure 4.2, draft strategy page 66

²⁰ Draft strategy, page 81

²¹ Policy 4, draft strategy pages 63 and 70-71

²² Policy 5, draft strategy pages 63 and 72-88

£25-30 million of the £84 million London Waste and Recycling Board fund²³) would amount to less than 2 per cent of the total investment required.

Although the draft strategy outlines ways in which the Mayor hopes to catalyse private investment in DE, neither the draft strategy nor responses to the Committee's questions²⁴ provided clear evidence of where, how or when this investment will be forthcoming. Further work should be undertaken to determine a clear and detailed set of proposals for exactly how the Mayor will support the development of the decentralised energy programme. The evidence from Copenhagen demonstrates the contribution that can be made to carbon reduction by decentralised energy.

Recommendation 5

The public version of the strategy should:

- **Set out the level of GLA or LDA resources (staff and financial) that will be used to support and develop the DE programme**
- **Establish clear budget lines**
- **Include a clearer articulation of the role of the LWaRB and the level of resources it is preparing to spend on the DE programme**
- **Include a clear indication of where the London Green Fund's £100m is likely to be spent, and provide detail of how it will complement London's share of the £2 billion fund announced in the national budget in March 2010**

Recommendation 6

The public version of the strategy should set out more detail about how the Mayor sees the role of the energy companies in helping to deliver his objectives on decentralised energy.

²³ Draft strategy, page 73; see also Environment Committee 11 March 2010, transcript page 20

²⁴ Environment Committee 11 March 2010, transcript pages 20-25

- 3.5 The majority of measures in the draft strategy pertain to decentralising the generation of energy from conventional fuels.²⁵ Other policies are directed at increasing the generation of renewable energy²⁶ and it is hoped that conventional decentralised energy plants will be converted to renewable fuel in future.²⁷ The Committee welcomes this as a direction of travel. Peter Elsmann told the Committee that Copenhagen already generates 27 per cent of its electricity from renewable sources²⁸, compared to an estimated 1 per cent in London²⁹. However, it should be noted that renewable energy is a greater challenge for London.

Longer-term (post-2020) strategy

- 3.6 The Mayoral contribution to energy supply CO2 savings is projected to be almost flat between 2020 and 2023. By 2025 the Mayoral contribution is actually projected to reduce to its 2019 level. However, government policies are expected to have a rapidly increasing impact from 2020 onwards.³⁰

²⁵ Policy 5, actions 5.1 to 5.21, pages 72-85

²⁶ Policy 5, actions 5.22-5.26, draft strategy pages 63, 74-75 and 85-88

²⁷ Environment Committee 11 March 2010, transcript page 17

²⁸ Copenhagen Climate Plan; the short version, page 7. City of Copenhagen. August 2009.

²⁹ European Green City Index, Economist Intelligence Unit, 2009.

http://www.siemens.com/entry/cc/en/urbanization.htm?section=green_index

³⁰ Figure 4.3, draft strategy page 69 – Government policies include Low Carbon Transition Plan committed policies and the recommendations of the Committee on Climate Change.

Table 4: Total (cumulative) energy supply CO₂ reductions

Year	Total energy supply CO ₂ reductions (MtCO ₂)	
	Mayoral strategy	Government policy
2010	0.45	0
2011	0.71	0
2012	1.00	0
2013	1.29	0
2014	1.57	0
2015	1.88	0
2016	1.81	0
2017	2.04	0.26
2018	2.15	0.61
2019	2.34	1.20
2020	2.52	1.74
2021	2.52	3.26
2022	2.53	4.73
2023	2.55	6.18
2024	2.49	7.62
2025	2.36	9.07

Recommendation 7

The public draft of the strategy should identify, or commit to identifying, further London measures to decarbonise the energy supply from 2020 onwards.

4 Energy efficiency

- 4.1 The Committee has reported on both home and workplace energy efficiency in the past³¹, and welcomes the measures in the strategy to promote energy efficiency.
- 4.2 A key element of these measures is the retrofitting of energy-efficiency measures to London's existing housing stock.³² The Committee heard that the GLA will work with London local authorities and other partners to reach all London households by 2030. The Committee also heard that the households with the largest carbon footprints are often those in the largest dwellings (even where the householders are environmentally-aware), and so these can offer considerable scope for emissions reductions.³³
- 4.3 The Mayoral initiatives go alongside government and other national initiatives such as the Home Energy Management Strategy³⁴, the Technology Strategy Board³⁵ and the work of the Energy Saving Trust³⁶.
- 4.4 The draft strategy seeks to tackle fuel poverty, through decentralised energy provision but primarily through energy efficiency measures that reduce household need for, and therefore expenditure on, energy.³⁷

Recommendation 8

The LDA should consider whether take-up and cost-effectiveness of the Home Energy Efficiency Programme (HEEP) can be optimised by working with boroughs to assist targeting on areas or households where there is fuel poverty and those with the largest carbon footprints, and report the results of this consideration to the Committee by the publication date of the next draft of the strategy.

³¹ For example Lagging Behind: insulating homes in London, December 2008 <http://www.london.gov.uk/who-runs-london/the-london-assembly/publications/environment/lagging-behind-insulating-homes-london> and Emission Creep, December 2007 <http://www.london.gov.uk/who-runs-london/the-london-assembly/publications/environment/emission-creep-0>

³² Draft strategy, pages 93, 97-89 and 100-108

³³ Environment Committee 11 March 2010, transcript pages 16-17

³⁴ http://www.decc.gov.uk/en/content/cms/what_we_do/consumers/saving_energy/hem/hem.aspx

³⁵ <http://www.innovateuk.org/>

³⁶ <http://www.energysavingtrust.org.uk/>

³⁷ Draft strategy, pages 20, 66-68, 98 and 109-111

Recommendation 9

The public draft of the strategy should identify more clearly how the GLA group's interventions complement national strategies and interventions. Similarly, it should continue to set out where further government action or policy changes may be necessary to support GLA group strategies and interventions.

- 4.5 The CO2 emissions projections in the draft strategy assume '...maximum possible roll-out of HEEP programme. By 2025 2.4 million homes will have been approached by the HEEP and offered easy measures, all homes have cavity and loft insulation installed and over 400,000 homes will have solid wall insulation installed.'³⁸ In the recent pilots of the HEEP, 817 homes were visited in Hillingdon, Southwark and Croydon, of which 118 (14%) had cavity wall insulation and 154 (19%) had loft insulation installed.³⁹

Recommendation 10

The public version of the strategy should show how HEEP take-up expectations are based on the findings of the pilots.

- 4.6 The Committee has previously reported in depth on energy efficiency in public sector buildings⁴⁰, and has continued to follow up this investigation. When the Committee met with the Mayor's Environment Advisor in December 2009, it was told that LFEPA had committed 20 fire stations to take part in Tranche 2 of BEEP, and that other GLA group buildings were being lined up to take the Tranche 2 total to 58 (in addition to 42 in Tranche 1).⁴¹ In its 2010/11 budget, LFEPA put its element of the BEEP on hold until 2012, due to delayed capital receipts on the sale of its previous headquarters.⁴² The draft

³⁸ Draft strategy, appendix C

³⁹ Home Energy Efficiency Programme trials: report of lessons learnt – LDA internal document supplied to Environment Committee 20 January 2010

⁴⁰ Emission Creep, December 2007 <http://www.london.gov.uk/who-runs-london/the-london-assembly/publications/environment/emission-creep-0>

⁴¹ Environment Committee meeting of 3 December 2009, transcript page 4

⁴² LFEPA 21 Jan 2010, 2010/11 Budget, FEP1479 [http://www.london-fire.gov.uk/Documents/FEP1479\(2\).pdf](http://www.london-fire.gov.uk/Documents/FEP1479(2).pdf)

strategy relies on BEEP retrofitting 200 buildings, across the public sector, per year⁴³

Recommendation 11

The public draft of the strategy should reflect known GLA functional body plans as set out in their budget documents.

⁴³ Draft strategy, appendix C

5 Transport

Transport emissions reduction target

- 5.1 The draft strategy proposes a smaller emissions reduction for transport than for other sectors. The strategy plans for 2025 transport emissions to reduce by about 45 per cent from the 2006 level, compared to cuts of about 65 per cent for homes and workplaces emissions. This is despite transport being set to benefit from a nearly 20 per cent reduction under 'business as usual', greater than the 13 per cent business as usual reduction expected for homes and 8 per cent for workplaces. The cut in transport emissions due to the Mayoral policies in the draft strategy is expected to be 0.5 MtCO₂ (5 per cent of 2006 levels), compared to 3.9 MtCO₂ (19 per cent of 2006) for workplaces and 4.8 MtCO₂ (28 per cent of 2006) for homes.⁴⁴

Recommendation 12

Given the leverage that the Mayor has on transport policy and investment, key Mayoral transport decisions should have an accompanying statement of the likely impact on carbon emissions.

- 5.2 The Mayor's Environment Advisor told the Committee that London's carbon emissions from transport are low compared to other large world cities, and that therefore transport emissions are regarded as more of a problem for air quality than climate change.⁴⁵
- 5.3 The majority of London's ground-based transport CO₂ emissions are due to private motor vehicles.⁴⁶ The Committee heard that the Mayor's powers over these vehicles are limited, though they do include the Congestion Charge, control of TfL roads and dialogue with boroughs on parking charges, and that many effective measures, such as improved vehicle standards, require action at a national or EU government level.⁴⁷ An element in improving vehicle standards is the national vehicle scrappage scheme, which is due to expire at the end of March 2010.⁴⁸

⁴⁴ Page 146, figure 8.4; page 99, figure 5.3; and page 119, figure 6.3. Tonnages in Appendix C

⁴⁵ Environment Committee 11 March 2010, transcript page 26

⁴⁶ Draft strategy, page 143

⁴⁷ Environment Committee 11 March 2010, transcript pages 25-26

⁴⁸

http://www.direct.gov.uk/en/Motoring/BuyingAndSellingAVehicle/AdviceOnBuyingAndSellingAVehicle/DG_177693

Modal shift

- 5.4 The draft Transport Strategy showed the following shares for different modes of transport in 2006 and anticipated for 2031.⁴⁹ We acknowledge that the private motorised mode share has already fallen by 6 points since 2000.⁵⁰

Table 5: Modal share: 2006, 2031 projections and percentage point change

Mode	2006	2031	Change
Cycling	2	5	+3
Walking	24	25	+1
Public transport	32	34	+2
Private motorised transport	43	37	-6

- 5.5 In Copenhagen, there is on average one bicycle for every resident. 55 per cent of Copenhageners use their bike every day. To cut emissions, Copenhagen plans to increase the percentage of residents cycling to work or school from 36 per cent to 50 per cent. Peter Elsman told the Committee that the most effective way to increase cycling would be to greatly improve safety, for example with cycle lanes.⁵¹

Recommendation 13

The public draft of the strategy show a range of further options for increasing modal shift particularly through a more active encouragement of cycling and walking, including in outer London, to reduce CO2 emissions more quickly.

- 5.6 Transport for London's own response to this Assembly and functional body consultation indicates that they will use the reductions envisaged in the draft strategy as one end of a target range. TfL presents its targets in terms of emissions from the transport sector: the draft strategy implies 2025 transport emissions of 5.3 MtCO₂; the draft Mayor's Transport Strategy had envisaged 2025 transport emissions of 4.8 MtCO₂. TfL in the next draft of the Transport Strategy proposes

⁴⁹ Transport Strategy – public draft, October 2009, page 35

⁵⁰ Draft strategy, page 149

⁵¹ Environment Committee 11 March 2010, transcript page 7

to adopt a target range from 4.8 to 5.3 MtCO₂, to allow for the possibility that greater emissions reductions will be necessary to meet the Mayor's overall target.⁵²

⁵² TfL Board, 24 March 2010, agenda item 13
<http://www.tfl.gov.uk/assets/downloads/corporate/Item13-TfL-Climate-Change-Response.pdf>

6 Creating a low carbon London

- 6.1 By 2025, the Mayor wants to make London one of the world's leading Low Carbon Capitals. To achieve this, the Mayor wants to "unleash the potential to create a thriving eco-economy in London providing new green collar jobs, skills and businesses". Chapter 3 of the draft strategy sets out a wide range Mayoral policies and proposals and LDA initiatives, but also raises a number of challenges principally as to how to incentivise the private sector to play its part.
- 6.2 In a series of meetings with key stakeholders the Committee has examined the prospects and challenges for developing a low carbon economy in London.⁵³ From our discussions we believe that the Mayor has a unique and powerful role to play in supporting the transition to a low carbon London. In July 2009 this Committee made a response to the Economic Development Strategy and the Low Carbon Capital Prospectus, emphasising the role of Mayoral leadership, a focus on carbon reductions, business support, a dynamic programme and strategy co-ordination.⁵⁴
- 6.3 The Mayor has a number of powerful levers in terms of his environment strategies, strategic planning powers, ability to direct transport investment and influence London's skills strategy. At the practical level, the LDA has set in train a number of promising pilot projects (such as retrofitting residential and commercial buildings) which when scaled up will make a significant impact in terms of reducing CO2 emissions and driving the development of so called "green jobs". The Committee is fully supportive of these projects and continues to monitor progress in the delivery of these pilots and in their further roll out.⁵⁵
- 6.4 The Mayor has worked on delivering a "Low Carbon Capital" which focused largely upon London's existing strengths in financial and business services – so for example the Mayor wants to promote London as the world's leader on low carbon finance. While important in maintaining and developing London's global reach the Committee is keen to see the Mayor also promote "green skills and green jobs" at the other end of the skills spectrum. The Committee welcomes mention of a "green new deal" for London⁵⁶ and the proposition that between 10,000 and 15,000 average annualised jobs (gross) could be created by 2025 through the delivery of the Mayor's strategy – with

⁵³ Environment Committee, 11 June 2009

⁵⁴ <http://www.london.gov.uk/archive/assembly/reports/environment/econ-dev-responses-lcc09.pdf>

⁵⁵ Environment Committee, 3 December 2009

⁵⁶ Draft strategy, page 41

potential jobs in such sectors as energy efficiency and energy supply, waste-to-energy and low carbon support. The “Retrofit Academy” and the LDA’s “Low carbon Skills Forum” are all positive steps.

- 6.5 However, it may now be time for the Mayor to set out a regional low carbon industrial strategy which would dovetail with the UK low carbon industrial strategy. This would more explicitly set out where “green jobs” will be generated and how the Mayor will use his influence over London’s skills strategy to ensure that Londoners are ready to take advantage of the opportunities that arise. The Mayor has to convince investors and entrepreneurs that his transition plan is robust and the GLA’s commitment credible. A regional low carbon industrial strategy would be a way of doing that.
- 6.6 The Green Enterprise District is where the Mayor’s commitment and ability to deliver on his low carbon vision will be tested. This swathe of east London, which stretches down the Lower Lee Valley and along the eastern Thames foreshore, includes areas of brownfield land largely ignored by developers in recent decades. This is an area of London where the LDA has significant landholdings and where TfL has the scope to make sizeable infrastructure investments. Recent ambitions for part of this area (around Dagenham Dock) included building on the legacy of skilled manufacturing, cheap land and good communications to propose the development of a Sustainable Industries Business Park. Work by the Environment Committee for its report “Making it in London” highlighted how the City’s financial dynamism and fast growing and specialist higher education sector could be levered in to make this project a reality.
- 6.7 The Committee appreciates that such master planning does take time to develop. We would nevertheless like to see the current process build on previous work to make the development of environment focused industries (for example, new waste management infrastructure such as a mixed plastics recycling plant) central to the plans going forward. We welcome the comments from the Mayor’s Environment Adviser that there has been interest from a diverse range of investors including “a lot of Electric Vehicle last stage manufacturers”⁵⁷. It will be through securing such investments for this area and through using LWaRB funding to catalyse development of waste management infrastructure here that the Mayor could take a

⁵⁷ <http://legacy.london.gov.uk/assembly/envmtgs/2009/envdec03/minutes/transcript.pdf>, page 27

large step towards creating a low carbon London, with all the positive developments that will bring to east Londoners in terms of quality of life improvements and new skills and jobs.

Recommendation 14

The public version of the draft strategy should include more detailed development of the Green Enterprise District, including examples of specific investments in environmental businesses. This should also be a central plank of the final version of the Economic Development Strategy and set out as a key deliverable for the Mayor's Policy Director for Economic Development.

- 6.8 The Planning and Housing Committee's response to the draft revision of the London Plan recommended that future drafts of the London Plan include more detail on how CO₂ reductions were to be achieved. The Planning and Housing Committee also recommended that each London Plan policy should show how CO₂ reduction strategies are to be implemented, including providing for neighbourhood sites for carbon reduction technologies and infrastructure, and linking CO₂ reduction policies to spatial development policies. This Committee endorses those recommendations and notes that the relevant changes to the draft replacement London Plan should be enabled by the development of the Climate Change Mitigation and Energy Strategy.
- 6.9 The draft replacement London Plan contains a summary of projections for sectoral employment changes, which underlies the expected requirements for different types of development and usage.

Recommendation 15

The final version the London Plan should reflect the employment growth in low-carbon industries implied by this strategy.

Appendix 1 Recommendations

Recommendation 1

The public draft of the strategy should contain a set of options for further carbon reduction measures so that, in combination with 'business as usual' projections, committed government plans and the Committee on Climate Change recommendations, the effect of the Mayor's strategy is sufficient to meet his 60 per cent emissions reduction target by 2025

Recommendation 2

The Committee would welcome the public draft of the strategy formally adopting the national 2050 carbon reduction target of 80 per cent or more for London. The next draft should also address the implications up to 2025 of at least an 80 per cent reduction in CO₂ by 2050 and develop a roadmap towards meeting this objective.

Recommendation 3

The public draft of the strategy should include a proposal for an annual CO₂ reduction target and commit to provide annual monitoring reports.

Recommendation 4

The public draft of the strategy should commit to improve data quality on how much renewable and decentralised energy is generated in London and the resultant carbon savings, working with relevant bodies such as local authorities, Ofgem and energy supply companies as necessary.

Recommendation 5

The public version of the strategy should:

- Set out the level of GLA or LDA resources (staff and financial) that will be used to support and develop the DE programme
- Establish clear budget lines
- Include a clearer articulation of the role of the LWaRB and the level of resources it is preparing to spend on the DE programme
- Include a clear indication of where the London Green Fund's £100m is likely to be spent, and provide detail of how it will complement London's share of the £2 billion fund announced in the national budget in March 2010

Recommendation 6

The public version of the strategy should set out more detail about how the Mayor sees the role of the energy companies in helping to deliver his objectives on decentralised energy.

Recommendation 7

The public draft of the strategy should identify, or commit to identifying, further London measures to decarbonise the energy supply from 2020 onwards.

Recommendation 8

The LDA should consider whether take-up and cost-effectiveness of the Home Energy Efficiency Programme (HEEP) can be optimised by working with boroughs to assist targeting on areas or households where there is fuel poverty and those with the largest carbon footprints, and report the results of this consideration to the Committee by the publication date of the next draft of the strategy.

Recommendation 9

The public draft of the strategy should identify more clearly how the GLA group's interventions complement national strategies and interventions. Similarly, it should continue to set out where further government action or policy changes may be necessary to support GLA group strategies and interventions.

Recommendation 10

The public version of the strategy should show how HEEP take-up expectations are based on the findings of the pilots.

Recommendation 11

The public draft of the strategy should reflect known GLA functional body plans as set out in their budget documents.

Recommendation 12

Given the leverage that the Mayor has on transport policy and investment, key Mayoral transport decisions should have an accompanying statement of the likely impact on carbon emissions.

Recommendation 13

The public draft of the strategy show a range of further options for increasing modal shift particularly through a more active

encouragement of cycling and walking, including in outer London, to reduce CO2 emissions more quickly.

Recommendation 14

The public version of the draft strategy should include more detailed development of the Green Enterprise District, including examples of specific investments in environmental businesses. This should also be a central plank of the final version of the Economic Development Strategy and set out as a key deliverable for the Mayor's Policy Director for Economic Development.

Recommendation 15

The final version the London Plan should reflect the employment growth in low-carbon industries implied by this strategy.

Appendix 2 Principles of scrutiny page

An aim for action

An Assembly scrutiny is not an end in itself. It aims for action to achieve improvement.

Independence

An Assembly scrutiny is conducted with objectivity; nothing should be done that could impair the independence of the process.

Holding the Mayor to account

The Assembly rigorously examines all aspects of the Mayor's strategies.

Inclusiveness

An Assembly scrutiny consults widely, having regard to issues of timeliness and cost.

Constructiveness

The Assembly conducts its scrutinies and investigations in a positive manner, recognising the need to work with stakeholders and the Mayor to achieve improvement.

Value for money

When conducting a scrutiny the Assembly is conscious of the need to spend public money effectively.

Greater London Authority

City Hall

The Queen's Walk

More London

London SE1 2AA

www.london.gov.uk