

REQUEST FOR MAYORAL DECISION – MD2360

Title: Drinking Water Fountains Programme – 2018-2021

Executive Summary:

The Mayor has committed to an objective in the London Environment Strategy to significantly reduce waste, focusing on food waste and single-use packaging with a proposal in the strategy for the Mayor to support campaigns and initiatives to cut the use of single-use packaging including the provision of funding for the installation of more drinking water fountains and behaviour change campaigns to drive a water refill culture.

This MD seeks approval of capital expenditure of £1,826,000 over three years (2018/19 to 2020/21) from the £5m fountains programme announced on 12th October 2018 (with the Mayor and Thames Water each contributing £2.5m). The aim is to install over 100 fountains across the capital, from spring 2019, in locations such as shopping centres, museums, business districts, outside busy stations, large green spaces and other publicly accessible areas with high footfall. A key feature of the programme is that Thames Water have agreed to own the assets and fund the long-term maintenance and cleaning of the fountains, at an estimated extra cost to them of £450,000 per year (or over £11m over 25 years). The programme will leverage their expertise in procuring assets, assessing site feasibility and securing efficient and timely installation of the fountains, including their connection to the water supply and drainage networks.

The remaining £674,000 of the £2.5m will be the subject of a further Decision, once revenue costs for staffing and communications have been finalised. It is anticipated that this will free up further funds to support the capital costs of the programme.

A governance structure has been put in place to ensure there will be strong control over expenditure, with funding released once milestones are achieved.

Related Decisions to this MD are: DD2246 Plastic bottle reduction and water refill project resources, ADD2195 Water refill scheme pilot and ADD2217 Plastic bottle reduction project installing fountains.

Decision:

The Mayor approves:

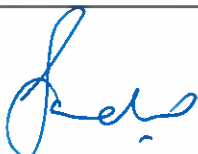
capital expenditure of £1,826,000 on the provision of grant funding to Thames Water as a contribution to its costs of fountain purchase and installation activity.

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:

5/4/18

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

Decision required – supporting report

1. Introduction and background

- 1.1 Plastic packaging blights our streets and finds its way into oceans, harming wildlife and taking centuries to break down whilst releasing toxic chemicals. Single-use plastic bottles form the most prevalent form of plastic packaging in our oceans and accelerated action is needed to phase out non-recyclable plastic packaging.
- 1.2 Use of single-use packaging materials, including coffee cups and plastic bottles, is growing and putting increasing pressure on local waste management services. WRAP's plastic market situation report 2016¹ estimated the UK produces around 2.2m tonnes of plastic packaging with only around half (or 900,000 tonnes) recycled. In the UK, around 825,000 tonnes of plastic bottles are produced a year. This leads to around 125,000 tonnes produced in London. Each year, Londoners buy around 1.2 billion single-use plastic bottles, and only one third of plastics is recycled in the home.²
- 1.3 There is a significant opportunity to reduce London's waste bill and environmental impact if food waste and single-use packaging were to be cut.
- 1.4 This decision sets out the plans and outcomes for tackling single-use plastic water bottles, through the installation of water fountains, in partnership with Thames Water, and supporting a 'refill culture'. Water accounts for 37% of all drinks in plastic bottles, and most bottles are consumed out of the home and 'on the go', with research showing that an increase in refill points, and more accessible refill points, are key factors that would encourage people to use a reusable water bottle³. A new network of publicly accessible water fountains, alongside other refill points, will therefore aim to help people break the habit of purchasing single-use plastic water bottles.
- 1.5 The programme will be funded out of the agreed £2.75m allocation in the Environment Team budget. An agreement was reached with Thames Water, and confirmed in a Memorandum of Understanding signed in September, that they would match £2.5m of this programme to provide a £5m fund for a new network of drinking water fountains across the capital (and to bear the cost of management and maintenance of the assets installed for 25 years estimated at circa £11m). Details of the expenditure proposed are set out at section 5.2 below but in summary it is proposed that:
 - Out of the £2.5m, at least £1,826,000 (all capital) be awarded to Thames Water, and match-funded by them, as a contribution to the costs of the partnership project. This figure was agreed at the same time as the Memorandum of Understanding, but the total budget will be reprofiled to ensure as much funding supports installations as possible. Thames Water will be managing the procurement of the purchase, installation, maintenance and cleaning of the fountains through a competitive tender process. Thames Water will fund an estimated operating expenditure (for maintenance and cleaning) of £450,000 per year, or more than an additional £11m over a 25 year period.
 - The remaining £674,000 will be the subject of a further Decision, with budget assigned to further capital expenditure, and the remainder for staffing, awareness-raising and behaviour change campaigns, and monitoring and evaluation work.
- 1.6 Three options were previously assessed for their suitability to deliver drinking water fountains for London. These involved the GLA's: (a) entry into grant funding agreements with land owners to provide a contribution to their costs of delivering fountains on their land; (b) procuring a supplier to

¹ http://www.wrap.org.uk/sites/files/wrap/Plastics_Market_Situation_Report.pdf

² London Environment Strategy, Chapter 7.

³ GLA report, Characteristics of water bottle consumers, August 2017

deliver fountains as a contractor; or (c) where on GLA group land or where the GLA group had permission to install a fountain procuring a supplier to deliver fountains as a concessionaire. None of these options offered an effective or efficient solution to the issue of who would pay for the ongoing cleaning, maintenance and liabilities associated with the fountains.

- 1.7 After having considered the options, discussing with Thames Water and taking commercial law advice from TfL Legal on proposals, a preferred option was developed whereby funding be awarded to Thames Water as a contribution to its costs of the project to install fountains and under which it has agreed to own the assets, install them, and maintain and clean them over the long term. Working with the GLA to identify sites, Thames Water will enter into direct agreements with site-holders and manage the risks and liabilities associated with their installation and long-term management. This option enables the more coordinated management of one lead funding recipient rather than multiple recipients. It also avoids the need to: enter into multiple agreements for the provision of and assumption of risk and liabilities in respect of works, supplies and services on third party land; provide further (cash and non-cash) resources to procure the works, supplies and services required for delivery; and secure any consents required for installation. It should also be noted that as the major water utilities and statutory water undertaking in London they hold specific expertise in the procurement, installation and maintenance of water-related infrastructure in London. Taking all of the above into account officers are of view therefore, that this is the most efficient and effective option.
- 1.8 Site owners or occupiers will have to apply to have a fountain installed. First round applications for fountains will open in mid- November and close in early December. Further rounds will be run according to the number and quality of applications in the first round.
- 1.9 Applications will be assessed according to key criteria:
- Locations with high pedestrian footfall, and where 'on the go' plastics use is most prevalent (such as commuter routes and tourist areas).
 - Locations that will be publicly accessible for most of the day (preferably 24 hours).
 - Locations that are not already served by existing fountains (unless there is a pressing demand for extra fountain provision).
 - Secondary criteria will also be used to maximise the fountains' social impacts, such as health and community benefits.
- 1.10 In addition, the partnership with Thames Water will only see fountains installed in their supply area. Further delivery models may be required for the three other supply companies covering smaller outer-London areas, and funding (outside the £2.5m) may be required for installations there.
- 1.11 Lessons learned from the pilot programme (whereby 20 drinking fountains are being installed by the Mayor in partnership with Zoological Society of London (ZSL)) will inform the application and site selection process, including issues such as streamlining the Thames Water connection and certification process, leaving adequate time to resolve planning and highway permissions, minimising extraneous signage, and providing solutions for long-term maintenance and cleaning.

2. Objectives and expected outcomes

2.1 The Memorandum of Understanding with Thames Water has set out the following objectives:

- Increase access to tap (potable) water available to Londoners when 'on the go' reducing the environmental impact (including resource use and pollution) of single-use plastic bottles in London, particularly single-use plastic water bottles.

- Boost awareness, understanding and engagement on the benefits and quality of tap water and the impact of single-use plastics, resulting in a cultural shift with Londoners carrying reusable bottles to fill up at fountains

2.2 More specifically, the outputs and outcomes will be as follows:

Description	Outcome	Date
Delivery of a minimum 100 fountains through the partnership with Thames Water, to provide people in London with ready access to water 'on the go'.	Reduction in use of single-use plastics. Early data from the pilot programme suggests that fountains, in the summer, can potentially displace the equivalent of 8,000 bottles per month.	Procure (by Thames Water): Q3/Q4 FY18/19 Delivery Q1 FY19/20 – Q4 FY20/21
Delivery of communication and behaviour campaigns to help maximise usage of the water fountains, and encourage other activities that will reduce single-use plastic water bottle usage.	A cultural shift so that carrying a reusable bottle, and using fountains and other refill points, becomes a behavioural norm.	Procure (Thames Water and GLA): Q3/Q4 FY18/19 Delivery Q1 FY19/20 – Q4 FY20/21

3. Equality comments

- 3.1 Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of 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.
- 3.2. The drinking fountains programme outlined in this MD stems from the policies and proposals in the London Environment Strategy which has been informed by a full Integrated Impact Assessment, including a consideration of equalities.
- 3.3. Projects delivered through the drinking fountains delivery programme will continue to engage as many Londoners as possible to help to meet the needs of people sharing protected characteristics under Section 149 of the Equality Act 2010.
- 3.4. Grant application processes will require a statement about the organisations' approach to equality and/or the submission of organisations' equality policies.
- 3.5. Recipients of funding will be required to outline how they will provide environmental and community benefit. This includes information on the intended beneficiaries.

4. Other considerations

Key risks and issues

Risk	Likelihood	Impact	Mitigation
Cost for installation of fountains higher than forecast	Medium	Low	Capped funding for costs of installation.
Programme slippage leads to installation delays	Medium	Medium	Regular progress meeting with Thames Water and Steering Group, and clear shared understanding of delivery timeline. Twin-track activities where

			possible. Phase application selection and planning to expedite first installations.
Delivery programme overspend	Low	High	Grant funding to Thames Water will be subject to execution of funding agreements capping GLA financial support, payments of which will be made on achievement of milestones (and evidence of associated expenditure).
Installed fountains are not maintained/ cleaned adequately so are under-used.	Low	High	Agreement has been made with Thames Water that they have a long-term commitment to ensuring fountains are cleaned and maintained on a regular basis.
Public are unaware of fountain locations so are under-used.	Low	High	A parallel engagement plan will ensure a unified approach to 'refill on the go' is communicated to the public.
Mis-match between MoL and Thames Water objectives / ways of working	Low	Medium	Ensure Partnership conforms to tight deliverables and governance through project Steering Group and Working Groups
Fountains don't lead to reduction in single-use plastic bottle usage	Medium	High	All fountains will have meters installed so usage can be monitored. A parallel engagement campaign will seek to maximise the profile of the fountains as they are installed, in tandem with M&E.
Negative publicity from slow installation rate, or poor maintenance/hygiene of fountains	Medium	Medium	Project Plan to have a clear schedule of deliverables. Thames Water have committed to a regular cleaning programme, and fountains will have a 'contact us' number for public to raise cleaning etc concerns.
Planning permissions and/or Thames Water assessments delay installations	Medium	High	Working through application process to identify sites not needing planning permission. Thames Water have agreed to mobilise team that will prioritise fountains installations, learning from ZSL programme.
Identified sites are all high cost, so reduces number than can be installed (a minimum of 100) and risks vfm	Medium	Medium	Sites to be reviewed by Thames Water as part of selection process and a balance of high and low-cost sites identified. Low cost sites actively approached as part of application process.

Links to Mayoral strategies and priorities

London Environment Strategy

- 4.1 The drinking fountain programme will contribute towards the efficient and effective delivery of policies and proposals in the London Environment Strategy, specifically objective 7.1, to drive resource efficiency to significantly reduce waste, focusing on food waste and single-use packaging waste, and Proposal 7.1.1.b, to support campaigns and initiatives to cut the use of single-use packaging, through the following actions:
- Pilot water refill schemes in different areas of London to test their effectiveness for improving access to tap water. The Mayor will work with City to Sea, the Zoological Society of London (ZSL), and other partners to use the insights from the pilots to inform the roll out of a London-wide water refill scheme.
 - Work with ZSL's Oneless campaign to install 20 drinking water fountains as an initial pilot.

- Provide funding over three years to fund the installation of more drinking water fountains and behaviour change campaigns to drive a water refill culture.
- Require new major public realm developments to install water fountains in appropriate locations
- Work with Transport for London and Network Rail to identify suitable locations in the transport network to be refill points.
- Lead by example across the GLA group by phasing out plastic bottle sales, removing single-use plastics in cafes and facilities, and improving access to tap water on all GLA premises.
- Work with the supply chain, from manufacturers to retailers, and large employers to waste authorities, to roll out measures to cut the impact of single-use coffee cups, such as increasing recycling facilities, or supporting initiatives to increase use of reusable cups.
- Work with partners to trial a deposit return scheme for plastic bottles and other commonly recycled materials in London, while government decides what it will do at a national level.

The New London Plan

4.2 The programme will also support delivery of the following policies:

Policy D7 Public Realm:

- The provision of free drinking water fountains helps improve public health, reduces waste from single-use plastic bottles and supports the circular economy through the use of reusable water bottles. Free drinking water fountains that can refill water bottles as well as be drunk from should be provided in appropriate locations in new or redeveloped public realm. Appropriate locations for these water fountains should be identified by boroughs during the planning process. These locations include areas with high levels of pedestrian activity, such as in town centres and inside shopping malls, as well as areas of the public realm used for play, exercise and relaxing, such as parks and squares. The ongoing management and maintenance of facilities should be secured and agreed at planning stage to ensure long-term provision is achievable.

Policy S17 Reducing Waste and supporting the Circular Economy:

- Waste reduction, increases in material re-use and recycling, and reductions in waste going for disposal will be achieved by:
 1. Promoting a more circular economy that improves resource efficiency and innovation to keep products and materials at their highest use for as long as possible.
 2. Encouraging waste minimisation and waste avoidance through the reuse of materials and using fewer resources in the production and distribution of products.
 3. Ensuring that there is zero biodegradable or recyclable waste to landfill by 2026.
 4. Meeting or exceeding the recycling targets for each of the following waste streams and generating low-carbon energy in London from suitable remaining waste:
 - municipal waste – 65 per cent by 2030
 - construction, demolition and excavation waste – 95 per cent by 2020
 5. Designing developments with adequate and easily accessible storage space that supports the separate collection of dry recyclables (at least card, paper, mixed plastics, metals, glass) and food.

5. Financial comments

- 5.1 Mayoral approval is sought for expenditure of £1,826,000 to support the drinking water fountains programme detailed above and, in the table, below.
- 5.2 The table below provides details of how the £1,826,000 is to be spent from 2018-19 to 2020-21 and will be funded from the Environment Team's revenue programme budget.
- 5.3 It will fund the capital element of the programme, covering fountain purchase and installation costs. Funding will be subject to a strong governance framework, with expenditure only awarded once installation milestones are hit, and with appropriate evidence of spend.
- 5.4 The profile of capital expenditure will be reviewed once the rate of applications and installations becomes clearer after first round applications have been assessed and started to be installed. It is envisaged that the largest capital amount will be required in 2019-20, when the installation rate should be at its highest.

	2018-19 (£000s)	2019-20 (£000s)	2020-21 (£000s)	Total (£000s)
Capital				
Partnership - fountains capex	100	1,260	466	1,826

- 5.5 As detailed in the table above £1,826,000 will need to be converted from revenue to capital budget between 2018-19 and 2020-21.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the statutory powers of the GLA to do such things as may be considered to further, and or be facilitative of or conducive or incidental to the furthering of, 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:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) 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
 - (c) consult with appropriate bodies.
- 6.2 In taking the decisions requested, the Mayor 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 and foster good relations 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 (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

- 6.3 Officers must ensure that the GLA and Thames Water execute a funding agreement on appropriate terms before any commitment is made to award the funding proposed.

7. Planned delivery approach and next steps

Activity	Timeline
Partnership announced Commence procurement Outreach to potential hosts (boroughs, landowners)	October 2018
Open/close applications	November - December 2018
Site assessments	December 2018
First installations	End Spring 2019

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? YES

If YES, for what reason:

Disclosure of the information contained in this approval may impact adversely upon the efficiency with which the GLA can ensure suitable terms are agreed for the proposed award of funding to Thames Water.

Until what date: 31 December 2018.

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:

Jamie Wallace has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

Shirley Rodrigues 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 5 November 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

TOM MIDDLETON ON BEHALF OF MARTIN CLARK 05.11.18

CHIEF OF STAFF:

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

Signature

Date

D. Bellamy

5/11/2018.

