

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2286

Title: Low Carbon Market Snapshot – Update

Executive Summary:

The project will quantify the size and nature of the Low Carbon and Environmental Goods and Services Sector, provide data on sales, number of employees and number of businesses in the sector and make future growth forecasts in respect to sales. The resulting data will update the existing 2015 Low Carbon Market Snapshot with annual datasets up to 2017/18 to continue the timeseries for this dataset that goes back to 2007/08.

The outputs of the research will provide insight and intelligence on the sector and its sub-sectors for use in the development of policy and support programmes aimed at growing the Low Carbon and Environmental Goods and Services sector. This is one of the Mayor's priority sectors in his draft Economic Development Strategy.

The work will provide a better understanding of where growth is likely to happen in the sector and what skills will be needed to support that growth. The research will also play an important part in informing and developing London's Local Industrial Strategy.

Decision:

That the Assistant Director of Environment approves:

1. Expenditure of up to £25,000 in commissioning kMatrix to provide an update to the Low Carbon Market Snapshot and the Low Carbon and Environmental Goods and Services Sector timeseries; and
2. A related exemption from requirement of the GLA's Contracts and Funding Code to procure such services competitively and to commission the above services from kMatrix.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

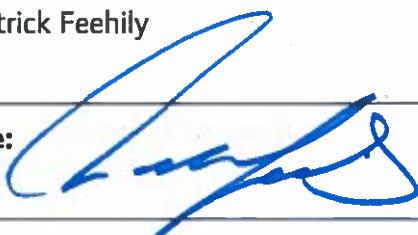
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Patrick Feehily

Position: Assistant Director - Environment

Signature:



Date: 5/11/2018

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Mayor's London Environment Strategy was published in July 2018 and his Economic Development Strategy will also be published later this year. The transition to a low carbon circular economy is an integral part of each of these strategies. The general concept for delivering this transition is that the London Environment Strategy will provide the demand for the transition by setting a strong policy framework through a range of environmental targets and the draft Economic Development Strategy will stimulate the supply-side to meet this demand by supporting businesses to be competitive in a growing low carbon and circular economy.
- 1.2. The London Environment Strategy and draft Economic Development Strategy both talk about all sectors of the economy having to reduce their carbon emissions and consumption of natural resources and emphasise the role that the low carbon and environmental goods and services sector or CleanTech sector will play by supplying the goods and services that are required by these sectors.
- 1.3. To do this it is essential to not only know the size, nature and capacity of this sector but also to better understand what the Mayor can do to help it grow, generate jobs and help solve the environmental challenges that London and other cities are facing.
- 1.4. The London Development Agency completed a baseline analysis of the Low Carbon Economy in London in its research report 'Low Carbon Skills for London' – DTZ/ Innovas Ltd. The data presented provided a snapshot of the market size for 2007/08 and 08/09. Innovas then undertook an additional report for the GLA called 'A Market Assessment of London's Low Carbon Environmental Goods and Services Sector' in 2011 that analysed the sector in more detail and recommended potential areas for intervention.
- 1.5. Subsequently, the Greater London Authority (GLA) used kMatrix to produce two Low Carbon Market Snapshots to update the baseline datasets, once in 2013 and again in 2015, this provided a continuous dataset through to 2014/15. These reports have created a detailed timeseries that helps understand the full sectoral and geographical composition of London's Low Carbon and Environmental Goods and Services sector (LCEGS) and establish an ongoing trend analysis of the growth of the sector in London.
- 1.6. The GLA now want to update the dataset with data for 2015/16, 2016/17 and 2017/18 to provide a data set that will give real insight into how the sector has developed since 2007/08. It will help inform the development of London's Local Industrial Strategy and business support programmes for developing the Low Carbon and Environmental Goods and Services sector.

Single Source Tender

- 1.7. Appointing kMatrix to provide this update of the dataset (last supplied for the Low Carbon Market Snapshot in 2015) will ensure the long-term consistency and relevance of the data sources and timeseries. It will use a consistent methodology and deliver value for money as they have developed the methodology, have direct access to relevant datasets and are able to re-run our datasets.
 - This consistency of methodology allows the creation of a consistent timeseries, enabling comparisons across the eleven annual datasets, from 2007/08 to 2017/18. This creates greater levels of confidence in the data and the forecasts made from it as well as creating a baseline for monitoring and evaluating changes in the sector over time.

- This will create an eleven-year dataset to support the development of London's Local Industrial Strategy. This will help inform policy development for London and enable the development of intelligence-based sector and sub-sector specific business support programmes.
- Appointing kMatrix also enables the datasets for the entire Low Carbon Environmental Goods and Services sector to be broken down to a London borough level for all sub-sectors so that it can support individual London Boroughs in their economic development work around the Low Carbon Circular Economy.
- This research will play an important role in informing policy direction, focus and tailor business support programmes within the sector and help evaluate and highlight the impact of low carbon policy and programmes being implemented across the capital.
- It will also help provide an insight into how the sector in London has responded to increasing market forces and opportunity, from a global to a local level, over the last decade and what we can do to further support and enhance its growth and contribution to London's economic prosperity.

2. Objectives and expected outcomes

- 2.1. To provide an updated Low Carbon Market Snapshot for 2018 that is consistent with the existing data timeseries and broken down to a London Borough level.
- 2.2. To provide a high-level comparative dataset for the rest of the UK regions and nations to both assess London's performance and strengths against them as well as identify where there are opportunities for collaboration and partnerships within the supply and value chain. This will inform the development of London's Local Industrial Strategy.
- 2.3. To provide a projection/forecast of sectoral growth in London over the next 3-5 years for the Low Carbon and Environmental Goods and Services sector.
- 2.4. To identify the sub-sectors within the Low Carbon and Environmental Goods and Services sector where London is strongest as well as those sub-sectors that are experiencing the greatest levels of growth in their respective global market. Use this to make recommendations around the type of support these sub-sectors may need to help them continue and even accelerate their growth. This will help inform future skills workstreams by indicating where growth is expected to happen in the sector.
- 2.5. To highlight the sub-sectors within the Low Carbon and Environmental Goods and Services sector that can help address the environmental challenges facing London, as highlighted in the London Environment Strategy. This will inform the type of support that these sub-sectors may need to help them continue and even accelerate their growth.
- 2.6. To identify a small sub-set of London's businesses that are actively working in the Low Carbon and Environmental Goods and Services sector to help support the development of a connected CleanTech network or community of businesses.
- 2.7. To provide a high-level analysis of the similarities and differences between the Low Carbon and Environmental Goods and Services sector datasets and the ONS' new EuroStat compliant Environmental Goods and Services sector datasets. This will provide a better understanding of how the two datasets complement each other and how they can each best be used.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, in making these decisions “due regard” must be had to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not. Protected characteristics include age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender, sexual orientation (and marriage or civil partnership status for the purpose of the duty to eliminate unlawful discrimination only). This duty has been taken into account, but no additional equality impact assessments are required beyond those considered in the relevant planning documentation for the Mayor to make these decisions.
- 3.2. Gender Equality and Equal Opportunities are enshrined within the GLA’s programmes and activities according to the Mayor’s Framework for Equal Life Chances (June 2014). The framework aims to bring Londoners together rather than dividing them. It promotes outcomes for a diverse range of communities that seeks to bring real changes to the quality of life for all Londoners.
- 3.3. The transition to a Low Carbon Circular Economy is not only about addressing environmental issues associated with economic development but also about addressing social issues and creating a more inclusive approach and greater equality of opportunity for London’s citizens across society.
- 3.4. The ‘Just’ transition forms part of our approach to the low carbon circular economy transition and this is all about better understanding where growth is likely to happen so that we can help ensure that Londoners and businesses have the opportunity and skills required to access the economic opportunities created by this transition.
- 3.5. This is a research project looking at the size and nature of London’s low carbon circular economy. We will ensure our equalities duty is met through the procurement of the project and ensuring that the results of this project will not only be relevant and applicable to all people and groups in society but will also help inform our business and skills development programmes around this workstream.

4. Other considerations

Key risks and issues

Risk	Mitigation
Update of existing data time-series is not consistent and consequently not comparable with the existing data time-series that goes back to 2007/08 for this dataset.	Procure an update of the existing data time-series using the same methodology as previous data-sets.
There is no updated Low Carbon and Environmental Goods and Services sector dataset available to support the intelligence-based development of London’s Low Carbon Circular Economy work programme or its Local Industrial Strategy	This dataset will provide detailed and extensive insight into the sector and its sub-sectors allowing policy and support programmes to be developed to support the needs of the sector and its sub-sectors.
There is no updated time-series for assessing trends in the growth and development of the Low Carbon Circular Economy since 2007/08.	Procuring a refresh of the existing dataset provides the GLA with an extended time-series from 2007/08 allowing sectoral trends to be identified that would not be possible with a new dataset.

Links to Mayoral strategies and priorities

- 4.1 The Mayor's London Environment Strategy and draft Economic Development Strategy set out the role and importance of London's transition to a low carbon circular economy.
- 4.2 The London Environment Strategy has a chapter on the transition to a low carbon circular economy and the important role that this transition will play in addressing London's environmental challenges.
- 4.3 The Low Carbon Environmental Goods and Services sector is a priority sector in the draft Economic Development Sector and this research will help it to support activity and growth in that sector.

Consultations and impact assessments

- 4.4 This project is designed to support the delivery of the Mayor's London Environment Strategy and his draft Economic Development Strategy, meet his zero carbon by 2050 target and support the transition to a low carbon circular economy. The programmes that this project will help shape have been identified in the London Environment Strategy and the draft Economic Development Strategy and therefore have already been consulted on as part of these strategies. As part of the development and delivery of this project the outputs will continue to feed into the development and outcomes of business support projects developed to support the development of London's low carbon circular economy.
- 4.5 An Impact Assessment was undertaken for the London Environment Strategy and the draft Economic Development Strategy and their associated programmes. As this project will help deliver the objectives identified in the original impact assessments it is still relevant to the project.

5 Financial comments

- 5.1 Assistant Director's approval is sought for expenditure up to £25,000 in commissioning kMatrix to provide an update to the Low Carbon Market Snapshot and the Low Carbon and Environmental Goods and Services Sector timeseries along with analysis of the data to input into the development of low carbon circular economy policy and programmes. This is to be funded from Environment's 2018-19 Zero Carbon budget.

6 Legal comments

- 6.1 The decisions requested of the Assistant Director (in accordance with the GLA's Contracts and Funding Code) concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
 - Pay due regard to the principle that there should be equality of opportunity for all people;
 - Consider how the proposals will 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 In taking the decisions requested, the Director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010 and to advance equality of opportunity 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 Director should have particular regard to section 3 (above) of this report.

- 6.3 Officers should ensure that the services 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. Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of the services.
- 6.4 Section 4.1 of the Contracts and Funding Code (the 'Code') requires the GLA to Seek a call-off from a suitable framework, where possible, or if not, undertake a formal tender process which will be managed by TfL in respect of the services. However, the director may approve an exemption from this requirement under section 5 of the Code upon certain specified grounds. One of those grounds is that there is a complete absence of competition. Officers have indicated at paragraph 1.7 of this report that this ground applies and that the proposed contracts affords value for money.
- 6.5 On this basis the director may approve the proposed exemption if satisfied with the content of this report.

7 Planned delivery approach and next steps

Activity	Timeline
Procurement of contract [for externally delivered projects]	November 2018
Delivery Start Date [for project proposals]	w/c 12 th Nov 2018
Main milestones	30 th Nov 2018
Main milestones	25 th January 2019
Delivery End Date [for project proposals]	15 th February 2019
Project Closure: [for project proposals]	28 th February 2019

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

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

Part 2 - Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form - NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Simon Wyke has drafted this report in accordance with GLA procedures and confirms the following:

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 5 November 2018.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature



Date

05.11.18

