

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD396

Title: Emissions Performance Standard annual review 2014/15 and 2015/16

Executive Summary:

The Mayor is committed to achieving significant Carbon Dioxide equivalent (CO₂eq) emission savings from the management of all of London's municipal waste, particularly from waste that currently goes to landfill or incineration. To support this the Mayor has developed a CO₂eq Emissions Performance Standard (EPS) for London's local authority waste activities to collectively achieve this. The EPS is a carbon based approach which supports high recycling rates of all materials. As part of the Mayor's Municipal Waste Strategy, the GLA carries out an annual review to assess London's performance of CO₂eq emissions with regards to how waste is managed in London.

Decision:

The Assistant Director approves expenditure of £15,000 to procure and appoint an organisation to undertake services for the two final annual reviews (covering the years 2014 and 2015) of London's performance against the Mayor's CO₂eq emissions performance standard (EPS) for London's municipal waste management.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

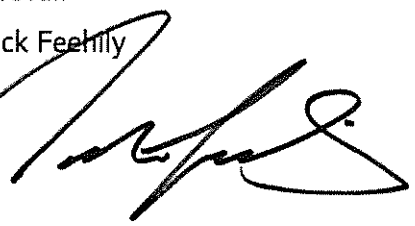
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Patrick Feehily

Position: Assistant Director - Environment

Signature:



Date: 24/02/2016.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor is committed to achieving significant Carbon Dioxide equivalent (CO₂eq) emission savings from the management of all of London's municipal waste, particularly from waste that currently goes to landfill or incineration. This means reusing, recycling, composting or generating renewable energy from as much waste as practicable, avoiding the emissions associated with manufacturing from virgin material and generating energy using fossil fuels.
- 1.2 Therefore the Mayor has developed a CO₂eq emission performance standard (EPS) for London's municipal waste management activities to work towards achieving rather than prescribing particular waste management activities or treatment technologies. This approach supports waste activities and services that reduce the amount of municipal waste produced, and capture the greatest number and highest quality of materials for reuse, recycling or composting, and low carbon energy generation.
- 1.3 The Mayor (under cover of MD594) approved work to develop and monitor progress against the EPS up to 2015. The first EPS monitoring review was completed in 2010/11. A previous Delegating Authority Record DAR (appendix A) and MD594 approved spend of £8,000 per annum (£40k total) for commissioning each year's annual performance review.
- 1.4 Eunomia Consulting Ltd had previously been appointed most recently through ADD270, to develop the EPS model and carry out the reviews. The original contract has now expired.
- 1.5 The original EPS had been set against the target year of 2015/16. Due to waste data being released one year later, London's performance for 2014 and 2015 has not been reviewed. It is important to complete the reviews to ensure the EPS can be fully evaluated and any future changes made be based on a full set of evidence. Furthermore, this is important to ensure any new waste scenario modelling is current and takes into account the changes in trends and patterns in local authority collected waste (LACW) that we have observed through the previous EPS reviews.
- 1.6 The budget available for the final 2 year EPS reviews is £15,000, which should be split to £7,500 per annual review. The cost is lower than previous years due to only requiring the basic analysis of London's performance for 2014 and 2015.
- 1.7 Section 4.1 of the GLA's Contracts and Funding Code requires, where the expected value of a contract for services is between £10,000 and £150,000, an advertised tender exercise to be conducted or such services to be called off from an accessible framework.
- 1.8 Whilst the work had previously be contracted through an exemption, the GLA will be obtaining at least three quotes for this work in accordance with the GLA Contracts Code.
- 1.9 **Why this approach? What is the relationship with recycling targets?**
 - 1.9.1 The Mayor considers a carbon-based metric to be more appropriate than traditional weight-based recycling targets to determine the optimal economic and environmental benefits from waste management. The EPS approach supports high recycling rates of all materials, with a focus on those

achieving the greatest CO₂eq savings. For example recycling light-weight materials aluminium tins and cans and plastics achieve significant CO₂eq saving benefits and produces a more valuable material compared to recycling heavier materials such as glass. This is because metals and plastics have high 'embodied carbon' compared to other materials.

1.10 Understanding and setting the EPS

1.10.1 The EPS has been set to broadly align with achieving the Mayor's 50 per cent municipal waste recycling targets by 2020 and 60 per cent by 2031. Actual performance will depend on the material recycled. The EPS uses a lifecycle methodology – it considers CO₂eq produced in making a material through to its final disposal. It also considers CO₂eq emissions from manufacturing virgin materials avoided by recycling. Achieving the EPS will result in annual CO₂eq savings of approximately

- 545,000 tonnes by 2015/16
- 770,000 tonnes by 2020/21
- 1 million tonnes by 2031 (equivalent to removing 510,000 cars from UK roads a year)

1.10.2 A key characteristic of this approach is that it allows flexibility. Waste authorities can look across the whole waste system to find the greatest CO₂eq savings to make an important contribution to achieving the EPS, depending on their specific circumstances. For example, waste authorities covering areas where there are many flats may find it difficult to collect high volumes of recyclables and may instead focus attention on the recovery of certain materials that deliver greater CO₂eq benefits. Achieving the EPS will ensure London's municipal waste management shifts from being a net contributor to climate change to an industry that plays an integral role in achieving significant climate change mitigation and energy saving benefits.

2. Objectives and expected outcomes

2.1 The objective of this ADD request is to review the 2014/15 and 2015/16 EPS performance for each London borough and provide a score against the pre-defined carbon based metrics.

2.2 The expected outcomes are:

- Assessment as to how London is performing in terms of carbon reduction through waste management activities.
- The assessment will enable the GLA to measure performance of London up to the original target year of 2015.
- A full evidence base of EPS performance will be available to re-baseline the carbon metrics used for the next London Environment Strategy.

3. Equality comments

3.1 The Mayor's Municipal Waste Strategy, including the EPS policy, has undergone a full equalities and integrated impact assessment.

There are no negative equalities impacts, for the following reasons:

- This is a Local Authority monitoring exercise.
- The EPS doesn't have a negative impact on communities because they assess the carbon being produced by waste management activities, which are managed by London boroughs.

- London boroughs and waste authorities carry out their own equalities impact assessment when developing and implementing their own waste strategies. These strategies are submitted and checked by the GLA for general conformity with the Mayor's municipal waste strategy.
- The policy may have a small beneficial impact on equalities groups and poorer communities benefiting from lower energy costs from heat distribution networks. Installing heat distribution networks from the South East London CHP incinerator in Lewisham to provide heat to neighbouring residential and commercial developments could have a positive effect on people living on social housing estates served by such plants if any lower energy costs are passed on to them.
- The policy should help reduce waste and increase recycling.
- The EPS approach to waste management promotes CO2 reductions and will help to deliver wider social benefits to London including job creation through managing more waste locally and ensuring all residents have easy and affordable access to high quality recycling services

4. Other considerations

A) Key risk:

Risk	Measures to reduce risk
Tendering process is unsuccessful	A Senior Policy and Programme Officer will work an appropriate tender process of obtaining three quotes.
The EPS tendering exercise may not be awarded in time for the end of the financial year deadline	The three quotes can be obtained within 7 days of sending the invitation to quote. A full ITT is not needed for this value. Awarding the contract under the purchase order terms and conditions will ensure a fast turn around.

- B) The EPS is part of the Mayor's municipal waste management strategy, November 2011 Policy 2: Reducing the climate change impact of London's municipal waste management.
- C) The EPS impact assessment forms part of the Mayor's municipal waste management strategy which underwent a full equalities and integrated impact assessment. Eunomia participated in a workshop on the EPS, which involved a range of stakeholders, including the GLA, the London Development Agency (LDA), the Department for the Environment, Food and Rural Affairs (DEFRA) and the Department of Energy and Climate Change (DECC). Full details can be found on the waste strategy publication page (<http://www.london.gov.uk/priorities/environment/publications/the-mayors-waste-management-strategies>).

5. Financial comments

- 5.1 Assistant Director's approval is being sought for expenditure of up to £15,000 for the two final annual reviews (covering the years 2014 and 2015) of London's performance against the Mayor's CO₂e emissions performance standard (EPS) for London's municipal waste management.
- 5.2 The cost of this work will be funded from Environment team's existing 2015-16 programme budget on Environment Strategy and will all be spent this financial year (2015-16).

6. Planned delivery approach and next steps

Activity	Timeline
Delivery Start Date [for project proposals]	22 February 2016
Delivery End Date [for project proposals]	30 November 2016

Appendices and supporting papers: None

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:

Until after procurement has taken place estimated early March 2016

Until what date: 30 March 2016

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:

Adam Batchelor has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

23.02.16