

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2641

Title: New London Plan - environment consultancy support

Executive Summary:

To ensure that the London Plan environmental policies are being complied with by developers, AECOM provide consultancy services under a four year call-off contract (TfL 91312/Task 44 – Environment Planning Consultancy Support) which was approved under MD 2257. This is a follow up decision to that MD.

The new London Plan, which is expected to be adopted in summer 2020, introduces a number of additional environmental policies. To undertake the necessary scrutiny of these new technical policies consultancy support is needed as the expertise does not exist in-house. The existing contract with AECOM allows for such additional work to be undertaken and therefore a cost-effective and efficient solution is to vary the existing call-off contract and increase the budget with AECOM to cover this new work.

Decision:

That the Mayor approves:

An increase in expenditure of up to £313,000 to AECOM Ltd to provide consultancy services to scrutinise the new London Plan environment policies as part of the existing call-contract with AECOM (approved under MD 2257), taking the total contract expenditure to £1,313,000.

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:

28/7/20

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

Decision required – supporting report

1. Introduction and background

- 1.1. The London Plan¹ is the Mayor's Spatial Development Strategy. It brings together the Mayor's other strategies, such as those dealing with housing, transport, economic development and environment and explores how the policies put forward in these separate strategies can be coordinated to complement one another through new development. It also provides London's planning authorities with an overarching framework for their local plans. It ensures, for example, that boroughs identify enough land to meet local as well as strategic housing needs, and provides guidance on how new build can tackle challenges like climate change and air quality. Legally, all local authority local plans must be in 'general conformity' with the London Plan.
- 1.2. Each year around 350-400 planning applications for new developments are referred to the GLA for consideration by the Mayor. GLA officers in the Environment Team evaluate applications to ensure compliance with the London Plan policies and ensure development complies with the Mayor's environmental targets on net zero carbon, increased green cover and climate resilience. The evaluation requires specialist technical knowledge and expertise, recognising the particular circumstances of individual developments and the opportunities and constraints that apply in each case.
- 1.3. AECOM currently provide these services under a four year call-off contract (TfL 91312/Task 44 – Environment Planning Consultancy Support) which was approved under MD2257 up to a value of £1m and which began on 1 July 2018 and ends on 31 March 2022. AECOM were appointed following a mini competition under the Engineering and Project Management Framework let by Transport for London under the Environmental Services section which the GLA are able to use. A key part of the competition in awarding this contract was ensuring that the appointed consultant had expertise both in the existing policies but also in the new draft London Plan policies which are to be adopted in 2020. This was accounted for in MD2257. This further Decision is to procure services to assess compliance against the new draft policies when they are adopted.

Consultancy services to support the new London Plan 2020

- 1.4. The new draft London Plan, which is expected to be adopted in summer 2020, introduces a number of additional environmental policies. To undertake the necessary scrutiny of these new technical policies consultancy support is needed as the expertise does not exist in-house. AECOM were awarded the existing contract on the basis of their expertise in the existing and new draft policies which was a key feature of the tender specification and the previous MD. As permitted in the existing contract, we propose to vary the existing contract and budget to allow AECOM to fulfil the intent of the original MD and assess the new policies when they are adopted. This is a cost-effective and efficient solution due to AECOM's knowledge of the planning processes, GLA's processes and their in-depth understanding of the London Plan environmental policies.
- 1.5. While these services were included in the original contract, the budget has increased for the following reasons. At the time of awarding the existing contract to AECOM the new policies were in draft form and had only recently begun the process of public consultation, Examination in Public and final adoption. Through this process the final policy wording has emerged along with detailed implementation plans to establish the resource that is required to ensure developers are complying with the new policies. To maintain the current level of service and to implement the new policies effectively additional resource is required.
- 1.6. TfL Commercial have confirmed that the current contract permits these additional services to be provided.

¹ <https://www.london.gov.uk/what-we-do/planning/london-plan/current-london-plan>

- 1.7. The contract does not guarantee any volume of work and work is 'called off' as required subject to caseload. This provides a safeguard, allows flexibility and ensures value for money as consultant input can be reserved for busy periods, contentious applications or where specific expertise not available in house is required.
- 1.8. The additional resource is limited to three policy areas (climate change mitigation and energy, waste and circular economy and green infrastructure and urban greening) with a fourth policy area (urban heat island) requiring additional tasks to be undertaken, but not requiring additional funding. The additional resource required, by policy area, is set out here:

Climate change mitigation and energy

- 1.9. The majority of the new climate mitigation and energy policies can be absorbed within the existing approved expenditure e.g. net zero carbon target for non-residential developments, the new energy efficiency targets and the new heating hierarchy. However, there are three additional resourcing needs for this policy area:

- i. **Whole Life-Cycle Carbon (WLC) Assessments:** applications referred to the Mayor now need to submit a WLC assessment at pre-application, Stage 1 and post-construction as part of *London Plan Policy SI 2 DB Minimising greenhouse gas emissions*. This policy captures the full carbon impact of a development from the carbon emissions associated with the manufacture of materials, transportation of those materials to site, on-site construction emissions, as well as those associated with repair, refurbishment and end-of-life. This world-leading policy puts the Mayor at the forefront of efforts globally to ensure new build development calculates and reduces its entire carbon footprint.

The specific tasks include: assessing WLC information at all stages, providing comments to planning officers, discussions with planning applicants (as needed) and producing quarterly internal monitoring reports to assess the impact of the policy.

Additional expenditure required from July 2020 – March 2022: **£107,000** (£53,500 to be spent in F/Y 2020-2021 and £53,500 to be spent in 2021-22).

- ii. **Energy officer:** to provide the necessary support in implementing the new policy areas, including drafting process documents, training energy officers and boroughs' officers as well as undertaking research, we propose to extend the existing full-time arrangements for the AECOM energy officer who has been providing additional support to the team. This arrangement will be extended until December 2020. This will ensure a smooth transition in the adoption of the new policies to support the Climate Change Team.

Additional expenditure required from July – end of December 2020: **£53,000** (at a cost of £8,755 per month).

- iii. **Building regulations update:** the Government is expected to publish and enforce the new Part L of building regulations which sets out the energy requirements for new developments. Our energy policies will need to be reviewed in their entirety to establish any changes that may need to be made in response. Specifically the on-site carbon reduction target is likely to require amendment as well as the approach to district heat network connections. Specific tasks will include modelling and analysis of the Part L decisions against the new London Plan policies and proposals put forward to establish how LP policies will need to be amended.

Additional expenditure required: **£20,000** (timings dependent on publication of building regulations, but which is expected to take place in 2021).

- 1.10. Total additional expenditure for climate mitigation and energy is required of **£180,000** from July 2020 – March 2022.

Waste and circular economy

1.11. Additional expenditure is required to effectively implement new *London Plan* policy SI7 *Reducing waste and supporting the circular economy*. Specifically, the additional resourcing needs for this policy area are:

- i. **Circular Economy (CE) Statements:** Applications referred to the Mayor now need to submit a CE Statement at pre-application, Stage 1 and post-construction. This policy captures the full waste and materials impact of a development from the design stage through to activities associated with repair, refurbishment and end-of-life waste management. This policy for the first time puts materials innovation and good quality design to be demonstrated at the early project stages to drive resource efficiency, cut waste, and boost reuse and recycling.

The specific tasks include: assessing CE Statements and operational waste plan information at all stages, providing comments to planning officers for planning reports, discussions with planning applicants (as needed) and producing quarterly internal monitoring to assess the impact of the policy. This will provide the evidence needed for any future policy updates.

1.12. Total additional expenditure for waste and circular economy is required of £120,000 from July 2020 – March 2022. (£60k to be spent in 2020-21 and £60,000 to be spent in 2021-22).

Green infrastructure (GI) and urban greening

1.13. The existing expenditure approved for green infrastructure currently absorbs the demand for green infrastructure (GI) policy compliance reviews against existing and new *London Plan* policies. However, we have recorded an upward trend in the number of cases referred for GI assessment over the last year and expect this to continue, especially once the new *London Plan* with its greater emphasis on GI is formally adopted. We also require further capacity and technical expertise to produce guidance on the new Urban Greening Factor, which for the first time introduces a minimum requirement for the quantity and quality of urban greening provided by major developments to accelerate the greening of London.

1.14. The specific additional resourcing requirements are:

- i. **establishment of new supporting processes:** development of materials to support Development Management Officers (internal and external) to implement the Urban Greening Factor, including the production of assessment guidance notes, standard text for reports and training. **£3,000.**
- ii. **Urban Greening Factor Guidance:** Technical support in drafting the *London Plan* UGF guidance, including the preparation of illustrations and figures for the document. **£10,000.**

1.15. Total additional expenditure for GI is required of £13,000.

Urban heat island (UHI)

1.16. Under new *London Plan* Policy SI4 *Managing Heat Risk*, AECOM consultancy support is required to:

- i. test the Urban Heat Island Tool to assess its suitability and effectiveness for assessing planning proposals with respect of the UHI as well as the proposal's potential impact on the UHI.
- ii. where results of the testing indicate the tool is suitable and effective at reviewing planning proposals:
 - o develop a process for assessing development proposals; and
 - o develop a monitoring process that aligns with current drainage water and flood risk review monitoring.

- 1.17. No additional expenditure required for this policy area is being sought as part of this MD and will be absorbed by the existing GLA Adaptation Team's budget.

Flood risk, drainage and water use

- 1.18. No additional funds/tasks required for this policy area.

Air quality

- 1.19. No additional funds/tasks required for this policy area.

2. Objectives and expected outcomes

Objectives

- 2.1. Securing this additional technical environment planning consultancy support as permitted in the current call-off contract will achieve the following objectives:
- ensure that planning applications comply with the new London Plan policies on climate change mitigation and energy, waste and circular economy, green infrastructure and urban greening and the urban heat island, ensuring that best practice is identified and promoted;
 - ensure that sufficient resource is available to undertake the necessary scrutiny of these new and complex policy areas;
 - a smooth transition to the adoption of new London Plan policies as AECOM have demonstrated their technical expertise in the new policy areas through the original MD, have provided advice on the development of those policies and have been providing an efficient service in reviewing planning applications since the start of the contract in 2018; and
 - help to secure the delivery of sustainable buildings and infrastructure investment in new developments that contribute effectively to the Mayor's ambitions as set out in the Environment Strategy.

Outputs

- 2.2. The following outputs are aligned with the existing contract but for completeness the following outputs are particularly relevant to the new policy areas that require support as outlined above:
- provide pre-application, Stage I, post-Stage I and Stage II energy comments for all referable planning applications and resolve issues through liaison with GLA planning officers, consultants employed by developers and borough planning officers. This will be done on an ongoing basis for the duration of the contract - approximately 350-400 individual applications per year for energy issues and around 200 for other policy areas. We estimate that for this financial year that 80% of planning applications will provide the new information required to comply with the new policies for the first few months, rising to 100% by the end of the year and for the following financial year;
 - provide regular updates to policy leads on an ongoing basis for the duration of the contract on how planning applicants are responding to the new policies and any updates that may need to be made to processes and guidance, as well as future policy development;
 - hold dedicated meetings with planning applicants as needed for cases where non-compliance with policies have arisen;
 - draft required GLA guidance for planning applicants and update as necessary;
 - draft required internal processes for internal and external Development Management Officers; and
 - provide training to GLA and borough planning and/or sustainability officers on a regular basis.

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' as defined in the Equality Act 2010 and those who do not.
- 3.2. AECOM consultants reviewing planning applications on behalf of the GLA will have due regard to the GLA's Environment Strategy and the objectives of the GLA's Equality Diversity and Inclusion Strategy. In addition, the London Plan policies that AECOM are assessing applications against, have been assessed according to their equality impact via an Integrated Impact Assessment² to ensure they are legally compliant with the Equality Act 2010. The assessment revealed that the policies which are the subject of this MD had an overwhelmingly positive impact for the objectives which were applicable and where there was sufficient information.
- 3.3. As presented in the Mayor's Equality Diversity and Inclusion Strategy, some environmental issues (such as air pollution) disproportionately affect certain groups. However, in light of the results presented in the equality Impact Assessment, it is not considered that the policy areas which are the subject of this MD will have a greater impact or unequal outcomes on certain groups or those with protected characteristics.
- 3.4. In appointing AECOM under the existing contract they were required to have suitable equality and diversity policies in place which will continue to apply under this proposed variation to the contract.

4. Other considerations

Key risks and issues

	Risk description	Mitigation / Risk response	Probability (1 high to 4)	Impact (1 high to 4)	RAG
1	Annual variation in amount of support required: variation in application numbers occurs from year to year and may be more extreme during changes to building regulations, the impact of COVID-19 etc. and so in some years the GLA will receive more applications than others and will potentially require fluctuating levels of support.	Allowing flexibility of budget spend between financial years, including a contingency budget allocation to absorb fluctuations in workload due to variations in the number of strategic planning applications submitted. This risk can also be managed by limiting consultancy support time to larger more technically complex engineering designs or contentious schemes with remaining schemes assessed in house.	2	3	Amber

² https://www.london.gov.uk/sites/default/files/draft_london_plan_iaa.pdf

	Risk description	Mitigation / Risk response	Probability (1 high to 4)	Impact (1 high to 4)	RAG
2	Technical: The technical expertise does not exist to effectively assess the responses from developers against the new areas of policy.	AECOM have supported on all aspects of the new policies as part of the existing contract and have identified consultants with the appropriate expertise to undertake the additional work.	4	1	Amber
3	Loss of accrued knowledge: New consultants will require time to familiarise themselves with GLA processes and procedures, build stakeholder relations with the Environment Team and Planning Decision Unit (PDU) which is a key requirement of this role.	Ensure that the existing consultants work with the new consultants. The Project Manager will have a session with new consultants to familiarise them with GLA procedures, policies and introduce consultants to key stakeholders, as well undertake training.	3	2	Amber
4	Insufficient budget: Contract budget is insufficient to allow assessment of all environment policies.	The budget requested has been estimated based on experience of previous planning support and Environment Team knowledge of resources required to assess planning applications. Furthermore, a risk-based approach will be taken where the GLA works with the consultants to prioritise planning applications for assessment.	3	3	Amber

Safeguard

- 4.1. The contract does not guarantee any volume of work and work is 'called off' as required subject to caseload. This provides a safeguard, allows flexibility and ensures value for money as consultant input can be reserved for busy periods, contentious applications or where specific expertise not available in house is required.

Exit strategy

- 4.2. The contract is let on a call off basis for a maximum of four years. This will ensure that the GLA is not bound for the full budget, should full support not be required or if the work undertaken is not consistently high quality across all environmental areas.

Links to strategies and priorities

- 4.3. The London Plan is the Mayor's spatial development strategy for London. It sets out a comprehensive range of policies for new developments. The latest evidence will be included as part of our assessments and discussions with developers to ensure that a reasonable approach is taken which is aligned with the Mayor's London Environment Strategy.

Impact assessments and consultation

- 4.4. This decision relates to achieving the objectives set out in London Plan policies. The development of the London Plan included a public consultation process and integrated impact assessment incorporating sustainability, community safety, health and equalities assessments. There is no requirement to further consult or undertake an impact assessment specific to this decision.

5. Financial comments

- 5.1. Mayoral approval is being sought for the additional expenditure of £313,000 to provide technical support in scrutinising the new London Plan environment policies and applications. There is an existing contract with AECOM who currently provide these services and so it is proposed this requirement is added their contract.
- 5.2. This additional expenditure will increase the total value of the contract with AECOM to £1,313,000 over the initial 4-year period.
- 5.3. The indicative profile of the requested £313,000, alongside the funding sources are as follows:

Funding Source	Financial Year 2020-21	Financial Year 2021-22	Total
Energy Engineering	107,000	73,000	180,000
Circular Economy Statements	60,000	60,000	120,000
Cross-cutting	7,000	6,000	13,000
Total	174,000	139,000	313,000

- 5.4. The expenditure will be funded from the Environment 2020-21 and 2021-22 budgets.

6. Legal comments

- 6.1. Sections 1 and 2 of this report indicate that the decisions requested of the Mayor concerns 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 GLA'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 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 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 and foster good relations between persons who share a relevant protected characteristic 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 have indicated in Section 1 that these additional services now required are included in the existing contract with AECOM. Officers must ensure that appropriate variation documentation is put in place and executed by AECOM and the GLA.

7. Planned delivery approach and next steps

Activity	Timeline
Development of new supporting internal processes, and early scrutiny of information provided by planning applicants who choose to comply with the new policies before formal adoption	July 2020
London Plan adopted and formal scrutiny of new policies begins	Expected from Aug 2020 until March 2022
Development of UGF guidance, review of building regulations and proposals for amendment of energy policies, testing of UHI tool	Aug 2020 – March 2022
Contract end date	31 March 2022

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

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:

Anne-Marie Robinson has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Philip Graham 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 13 July 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

D. Gove

Date

17 July 2020

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

13 July 2020