



City of Westminster Cabinet Member Report

Meeting or Decision

Maker:

Councillor Robert Davis MBE DL

***Deputy Leader and Cabinet Member for Business,
Culture & Heritage***

Copied to:

Councillor David Harvey

***Cabinet Member for Environment, Sports and
Community***

Date:

2nd January 2018

Classification:

General Release

Title:

*CROSS RIVER PARTNERSHIP (CRP) URBACT
FUNDING PHASE III - FREIGHT TAILORED
APPROACHES to INNOVATIVE LOGISTICS
SOLUTIONS (Freight TAILS) PROJECT*

Wards Affected:

All

City for All Summary

While freight movements are essential to maintaining an economically vibrant and active City, they have negative impacts on air quality and congestion. CRP has submitted a successful European funded project bid that will enable new self-sustaining business models to be developed by helping to minimise congestion and air pollution, while making freight movements more effective and efficient. This project will therefore contribute to the 'City for All' commitments by making Westminster a greener, more sustainable city and by collaborating with partners to deliver improvements to air quality and carbon reduction.

Key Decision:

No

Financial Summary: This application brings in additional EU (Urbact) funding to augment the existing work of the Council. The total value of the programme is €722,400 of which the Council is enlisted to receive €206,902 (£165,522).

The Urbact programme provides 70% match funding (€144,831 / £115,865) and the remaining 30% (€62,071 / £49,657) has been match-funded from other CRP projects.

Report of: Executive Director for Policy, Performance & Communications

Contact Details: Carol Quamina, CRP Operations Manager, Ext 2198

1. Executive Summary

- 1.1 The City Council has been working with Transport for London (TfL) and a number of local authorities in support of the various Mayoral and City Council strategies and policies with regard to sustainable transport. Key documents include the Roads Task Force report and London Freight Plan.
- 1.2 To achieve all of the targets, the City Council is expected to develop and implement a range of policies and supporting measures that will encourage and support more efficient road freight movements.
- 1.3 Working alongside Westminster City's Business Improvement Districts, CRP applied to the URBACT III Interregional Cooperation funding (Phase I), to learn from European best practice and develop sustainable urban logistic approaches (micro/consolidation, SME co-ordination, retiming deliveries, efficient road space allocation) in different urban environments (multi-tenanted office blocks, high street retail areas etc).
- 1.4 CRP (together with four European partners) was successful in securing funding under Phase I to develop a more detailed bid to include up to 10 European partners for submission under Phase II. A successful Phase II bid was submitted in March 2016 and includes the following 9 European partners: Brussels (Belgium); Gdynia (Poland); La Rochelle (France); Maastricht (Netherlands); Parma (Italy); Split (Croatia); Suceava (Romania); Tallinn (Estonia); Umea (Sweden).
- 1.5 Part of the terms and conditions of funding is that a mid-term review is undertaken on the programme to review progress made on milestones and outputs as well as undertake a review of the budget versus expenditure to date for each of the project partners.
- 1.6 This report seeks approval of the Cabinet Member for Business Culture & Heritage of Westminster City Council (WCC), as the accountable body for Cross River Partnership (CRP), to sign the amendment of the Subsidy Contract on behalf of the CRP as the lead

project partner. The amendment is required following completion of the mid-term review of the project.

2. Recommendation

That the Cabinet Member for Business, Culture & Heritage signs the amendment to the Subsidy Contract between Westminster City Council and URBACT III Managing Authority (attached as Appendix B).

3. Reasons for Decision

- 3.1 The project will bring in external, EU resources to complement and augment Westminster's work regarding supporting businesses, reducing traffic congestion, managing freight activity and mitigating air and noise pollution.

4. Background, including Policy Context

- 4.1 Cross River Partnership (CRP) has been leading on freight consolidation and management projects on behalf of the Council since 2013. Partners in these projects include Network Rail, Transport for London, the Greater London Authority, The Crown Estate, Arup and UPS as well as Business Improvement Districts.
- 4.2 These projects include:
- Freight Electric Vehicles in Urban Europe (FREVIEW), a €14million project which will introduce more than 17 electric vehicles (with expectations of up to 50) into central London.
 - Last Mile Logistics (LaMiLo), a €299,000 project that has demonstrated how efficient procurement and freight management policies can reduce vehicle movements and pollution.
- 4.3 The overall aim of these projects has been to make freight and logistics activities in central London more effective and efficient through reducing unnecessary vehicle movements via consolidation centres and delivery servicing plans and the use of less polluting modes such as electric vehicles.
- 4.4 Freight consolidation is gaining increasing interest from local authorities and sections of the private sector that want to reduce their environmental footprint. Within Westminster there is the very successful consolidation centre operated by The Crown Estate involving their Regent Street properties, and the Fortnum & Mason consolidation centre established to facilitate a more efficient system of delivering store supplies.
- 4.5 Based on the existing Council and CRP activities, as well as findings from Transport for London, it has become apparent that despite the overwhelming public benefits of less

congestion, travel delays and pollution, further work is required to demonstrate the business case for the private sector implementation.

4.6 Consolidation centres and enhanced freight management processes benefit the private sector through:

- Reduced delay
- Less staff and vehicle downtime and wastage
- Improved environmental performance
- Lower costs
- Positive marketing benefits.

4.7 The project supports the Council's 'City for All' commitments in that it will help to keep 'the city a global destination of choice for all types of businesses' and help 'create great local places where people enjoy living, working and visiting'.

4.8 In addition, the *Freight TAILS* project complements and integrates with the developing West End Partnership air quality programme and the Marylebone Low Emission Neighbourhood (LEN), which all have clear objectives to reduce freight vehicle movements and support the uptake of low emission vehicles. These programmes are establishing clear governance and stakeholder engagement structures, which will help facilitate the delivery of *Freight TAILS* actions in the central area.

5. Financial Implications

The total budget for the project following the mid-term reprogramming remains unchanged at €722,400 (£577,920 assuming an exchange rate of £1:€1.25). Westminster City Council's allocation has increased slightly from €197,378 (£157,902) to €206,902 (£165,522) with a 30% match funding requirement. Therefore WCC's liability has also increased slightly from €59,214 (£47,371 assuming an exchange rate of £1:€1.25) to €62,071 (£49,657) which has been funded from other CRP projects.

It should be noted that a fall in the value of sterling may mean that at conversion the financial values may be greater than above.

6. Legal Implications

The variation proposed is for re-allocation of funds for Phase 2 of the originally sanctioned overall project budget following mid-term review of the project. There are no other legal implications. The recommendation for the Cabinet Member for Business, Culture & Heritage to execute the variation agreement attached is endorsed.

(Legal Implications provided by Babul Mukherjee, Senior Solicitor (Contracts), Shared Legal Services, Telephone 020273613410.)

7. Staffing Implications

The Phase II project commenced in May 2016 and delivery will run until May 2018. An officer was appointed to co-ordinate delivery of the project. All staffing costs are fully funded from the EU grant and match funding.

8. Consultation

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

Carol Quamina, CRP Operations Manager, ext 2198

BACKGROUND PAPERS:

- Cabinet Report dated 4 August 2016: Cross River Partnership (CRP) URBACT Funding Phase III - Freight Tailored Approaches to Innovative Logistics Solutions (Freight TAILS) Project.
- Amendment to Subsidy Contract
- Cabinet Report dated 1 April 2016: Cross River Partnership (CRP) Urbact Funding Phase II Application for Freight Tailored Approaches Implementing Lasting Solutions (Freight Tails) Project.
- Amendment to Subsidy Contract (to incorporate Phase II).
- Cabinet Report dated 28 October 2015: Authorisation to sign URBACT III Contract for Phase 1 of the European Funded Freight Tailored Approaches to Implementing Lasting Solutions (TAILS) project.
- Subsidy Contract for Freight TAILS between the Managing Authority of the European Territorial Cooperation Programme URBACT III and Westminster City Council.

For completion by the **Cabinet Member for Business, Culture & Heritage**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Robert Davis MBE DL**

State nature of interest if any
.....

(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled
CRP URBACT Funding Phase III – Freight TAILS Project and reject any alternative options
which are referred to but not recommended.

Signed

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
.....
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Appendix A

Other Implications

1. Resources Implications

- 1.1. All resourcing can be met through existing CRP budgets.

2. Business Plan Implications

- 2.1. *The project is in line with the Built Environment Strategic Business Plan outcome of "...making Westminster the foremost world class sustainable city" by facilitating conditions for traffic and emission reduction.*

3. Risk Management Implications

- 3.1. CRP has over two decades experience of delivering and managing regional and international projects, which require complex delivery and monitoring processes. Entering into the proposed agreement will involve agreeing to the programmes grant conditions for project delivery. Payments will only be claimable in relation to eligible evidenced expenditure. Westminster's Finance Officers will check and approve claims before submission.

4. Health and Wellbeing Impact Assessment including Health and Safety Implications

- 4.1. Through reducing traffic volumes, air and noise emissions, the project will help improve the health and well being of residents, workers and business in Westminster

5. Crime and Disorder Implications

- 5.1. Not applicable

6. Impact on the Environment

- 6.1. The project will aim to identify and test solutions aimed at reducing traffic, air and noise emissions associated with freight in Central London.

7. Energy Measure Implications

- 7.1. Freight consolidation and management measures seek to reduce energy consumption and enhance overall energy efficiency through reducing wastage.

8. Communications Implications

- 8.1. The project will generate and disseminate information about business support, freight consolidation and air quality improvements in the borough. A condition of the grant funding is that all findings of the project are communicated and disseminated to audiences including local residents and businesses. In addition, close collaboration with other CRP projects and WCC activities will also be undertaken to maximise the benefit to residents.