



# Cabinet Member Report

<b>Meeting or Decision Maker:</b>	<b>Cabinet Member for Housing, Regeneration, Business and Economic Development</b> <b>Cabinet Member for Sustainability and Parking</b>
<b>Date:</b>	1 April 2016
<b>Classification:</b>	General Release
<b>Title:</b>	<b>CROSS RIVER PARTNERSHIP (CRP) URBACT FUNDING PHASE II APPLICATION FOR FREIGHT TAILORED APPROACHES IMPLEMENTING LASTING SOLUTIONS (Freight TAILS) PROJECT</b>
<b>Wards Affected:</b>	Not Applicable
<b>City for All Summary</b>	While freight movements are essential to maintaining an economically vibrant and active City, they have negative impacts on air quality and congestion. CRP is proposing to lead a European funded project that will enable new self-sustaining business models to be developed that will help 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.
<b>Key Decision:</b>	No
<b>Financial Summary:</b>	This application would bring in additional EU (Urbact) funding to augment the existing work of the Council. The total value of the programme is €696,500 of which the Council, through CRP, would receive €191,348.  The Urbact programme provides 70% match funding (€133,000) and the remaining 30% (€60,000) can be met through CRP budgets in 2016/17.
<b>Report of:</b>	Strategic Director of 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 continually 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 and 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.
- 1.5 This report also seeks approval of the Cabinet Member for Sustainability & Parking for Westminster City Council (WCC), as the accountable body for Cross River Partnership (CRP), to be the lead partner in this project on behalf of the CRP.

## **2. Recommendation**

That the Cabinet Member for Housing, Regeneration, Business and Economic Development and the Cabinet Member for Sustainability & Parking approve:

- (i) That the Council, through CRP, lead the Phase II application for the Freight TAILS project; and
- (ii) That the Letter of Commitment is signed on completion of the project application.

### **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 (FREVUE), 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'.

## 5. Financial Implications

The budget for the total project is €696,501 (£531,680). Westminster City Council's allocation will be €191,347 with a 30% match funding requirement. Therefore WCC's liability would be €57,404 (approx £43,819 assuming an exchange rate of £1:€1.31) which can be met from existing CRP budgets.

## 6. Legal Implications

The City Council is the leading body on behalf of CRP for the project and will be accountable if it succeeds in obtaining the funding from EU. The proposed project for which the EU funding in being applied for is for the benefit of the residents of Westminster, and London in general, who will see a greener, more sustainable city and improved air quality and carbon reduction and the City Council can use its general well-being power under Sec 1 of the Localism Act 2011 to pursue this. If successful in obtaining the EU funding, then it would be required to provide match funding and to enter into contractual commitment with other partners and EU entities involved in project delivery as per the project commitments mentioned in the funding application.

It is to be noted that funding must be spent in accordance with the Application Form. It is necessary to note that funding will be provided in Euro currency and not Sterling.

## 7. Staffing Implications

If successful, the Phase II project would start in May 2016 and run until June 2018. Subject to CLT and Finance approval, an officer will be appointed to co-ordinate delivery of the project. Staffing costs will be 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 10 June 2015: Cross River Partnership (CRP) Urbact Funding Application For Freight Tailored Approaches Implementing Lasting Solutions (Freight Tails) Project - Phase I

Signed Letter of Commitment – Phase I Application

## Template of Letter of Commitment for partner Phase 2

The text shall be inserted in the Partner's headed paper with the relevant project data.

URBACT III Managing Authority

10 March 2016

5, Rue Pleyel  
93283 Saint Denis Cedex  
France

Dear Madam, Sir,

Westminster City Council confirms its commitment to be the Lead Partner in the activities of the URBACT *Action Planning Network* proposal entitled Freight TAILS.

The specific challenge we wish to address in this *Action Planning Network* as a Lead Partner is to develop self-sustaining business models that will help to minimize congestion and air pollution, while making freight movements more effective and efficient.

We are convinced that by working through this URBACT network, we will be able to better address these challenges. In this context, if the proposal is approved within the framework of the URBACT III Programme to continue into Phase 2, we will ensure the overall coordination of the network, take on roles and implement activities as indicated in the Phase 2 work plan. More especially, we commit to organise transnational meetings and to coordinate the production of the Integrated Action Plans with our project partners.

To this end we also formally commit to engaging the funds needed to co-finance ERDF. The details of this contribution are outlined within the Phase 2 application.

Yours sincerely<sup>1</sup>

Official stamp

\_\_\_\_\_  
Name in capital letters:

\_\_\_\_\_  
**Function**

<sup>1</sup>

The signing person has to be an elected representative with authority to sign for the Lead Partner. In case the Lead Partner institution has no elected representatives, the signing person must be in the position of committing the institution's resources to be engaged in the project (staff, budget, etc.).

*NB: For individual Cabinet Member reports only*

For completion by the **Cabinet Member for Sustainability and Parking**

**Declaration of Interest**

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

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

NAME: \_\_\_\_\_

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 Applications.....and  
reject any alternative options which are referred to but not recommended.

Signed .....

**Cabinet Member for Sustainability and Parking**

Date .....

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.

## 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.



Note to report authors: If there are particularly significant implications in any of the above categories these should be moved to the main body of the report.