

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DMFD154

**Title: Purchase of Replacement Cooking Equipment and Appliance Bay Heaters –
Decarbonisation of LFC Estate**

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.

This information is not for publication until the stated date, because:

Publication of the information included in this report is deferred as its disclosure would be likely to prejudice the commercial interests of the London Fire Commissioner (LFC).

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed: 1 July 2023

Legal recommendation on the grounds of keeping the information confidential:

In the event the information contained in this Part 2 and/or its appendix is the subject of a request for information under section 1 of the Freedom of Information Act 2000 (the Act), it is considered that access can be denied on the basis that such information constitutes exempt information under:

Section 43(2) of the Act on the basis that the information in this report includes information which is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

Public interest assessment

At present, on balance, it is considered that the public interest is best served if the information is not disclosed at this point. Disclosure by the LFC would be likely to have a detrimental effect on the LFC's position and related commercial interest regarding the expenditure incurred for the purposes of carbon reduction across the LFC estate.

The eligibility of these exemptions should be reassessed in the event of an FOI request for this information as the level of sensitivity will change over time and different circumstances may alter the arguments in favour of non-disclosure.

Legal Adviser – I make the above recommendations that this information should be considered confidential at this time.

Name:

Date:

Once this form is fully authorised, it should be circulated with Part 1.

Confidential decision and/or advice:

The LFC seeks to commit capital expenditure of up to £384,000 for the purposes of carbon reduction across the LFC estate. This is set out in Part 1 of the report.

The proposed funding requirements by fiscal year to meet target of carbon net-zero stations and remove the gas cooking and appliance bay heaters by 2025 is shown below. These would be funded from the capital funds in the LFC Property budget that are intended for estate replacement works. The gas cookers are beyond the end of their economic life and due for replacement. Where possible an electric installation will support the reduction of carbon emissions by LFC in support of the Mayoral objective by 2030.

Table 1: Cost break down estimate for the programme

Capital	2022-23	2023-24	2024-25	Total	Number of sites	Cost per site
	£000s	£000s	£000s	£000s		£000s
Cooking equipment replacements at 40 sites	90	105	105	300	40	7.5
Appliance bay heater replacements at 14 sites	24	24	36	84	14	6
Total				384		

Table 2: Cost breakdown estimate per asset

Description	Cooker	Bay heater
Gas works – removing and disposing existing gas appliances and associated pipework modifications	£500	£500
Electrical works – carry out electrical switchgear modifications and install electric cooker circuits and containment	£2,400	£2,000
Electrical supply monitoring	£600	N/A
Modifying cooker-extraction hood system	£500	N/A
Cooker costs based on Belling 110E specification five hobs, warming plate, double oven and grill (supply, delivery and installation)	£2,500	N/A
Redecoration and making good works	£500	N/A
2 No. appliance bay heaters based on LEO/Trotec Sahara industrial heater	N/A	£3,000
Project management per site	£500	£500
Total cost per site	£7,500	£6,000

Financial comments

This paper is requesting approval to commit capital expenditure of £384,000 towards the replacement of gas cookers and heaters across the LFB estate.

The majority of the gas cookers and heaters in the estate are past their expected economic life. In many cases they have faults including the pilot lights running continuously. The replacement of the assets and the pilot projects will be funded through the LFB Property Capital Programme.

Property already has approval within the capital programme to fund the £384,000 requested in this report. The profiling of spend will be adjusted across the years 2022-23 to 2024-25; and any changes in this report will be shown in the capital monitoring report as part of the quarterly financial position.

The capital budget is funded through capital receipts and borrowing. The cost of borrowing is made up of minimum revenue provision; and is based on the asset life, which would be £35,000 per year, and interest on borrowing. assuming a rate of 2.5 per cent at £10,000 per year. The cost of borrowing to fund the capital programme is reflected in the revenue budget.

The revenue impact of this programme has been considered. The whole life cost of the new assets will be lower than the gas equivalent. The cost associated with buying gas is expected to increase by more than 25 per cent by 2030 and the carbon tax is expected to more than double to over £100 per tonne. This is aimed at moving gas from a low-cost fuel to a higher cost fuel and comparable to electricity.

Legal comments

Section 43(2) is a prejudice-based exemption that says information is exempt if its disclosure under FOIA would, or would be likely to, prejudice the commercial interests of any legal person including the LFC. The Information Commissioner has recognised that a wide range of commercial information relating to ongoing procurement activity may be covered by this exemption. In this instance the information in this Part 2 report includes information in relation to future procurement plans and the LFC's financial position in relation to those procurements. The exempt information would disclose the LFC's financial position and budget in relation to both procurements to potential bidders; and would prejudice the operation of competitive tendering exercise. It is therefore submitted that this information should be exempt from publication until the contract is agreed. An 18-month timescale allows for the completion of that process and includes a small allowance for unanticipated slippage in the timetable.

Appendices and supporting papers:

Part 2 – Report LFC-0641 – Carbon Net-Zero Across the London Fire Commissioner Estate