

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD222

Title: Salix Public Sector De-Carbonisation Scheme 3C (PSS) – De-carbonising Nine Fire Stations

Executive summary:

This report requests the approval of the Deputy Mayor for Fire and Resilience to authorise the London Fire Commissioner (LFC) to commit capital expenditure of an amount set out in the part two report for the purposes of de-carbonising nine fire stations. The London Fire Brigade (LFB) has applied for grant funding from the Public Sector Decarbonisation Scheme (PSDS) 3C in order to undertake works to decarbonise nine fire stations. Applicants are expected to provide at least 12 per cent of the project costs.

The PSDS supports the aim of reducing emissions from public sector buildings by 75 per cent by 2037. This proposal supports the LFB's target of becoming carbon net zero by 2030. The proposed works are for nine fire stations that have end of life gas powered heating boilers and the fire stations will also benefit from the inclusion of full double glazing, LED lighting upgrades, cavity wall insulation and additional solar PV panels.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner to seek the prior approval of the Deputy Mayor before "*[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...*".

Decision:

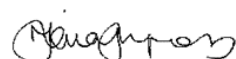
That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner (LFC) to commit capital expenditure to deliver the funding match for Salix Public Sector Decarbonisation Scheme, to be funded from the LFC's Estates Capital Investment Programme for financial years 2024-26, underwriting any outstanding contributions, to meet the requirements of the LFC contribution towards the projects to decarbonize nine fire stations.

Deputy Mayor for Fire and Resilience

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

Signature:



Date:

09/01/2024

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

Decision required – supporting report

1. Introduction and background

- 1.1. Report LFC-23-111y to the London Fire Commissioner (LFC) explains that Salix Public Sector Decarbonisation Scheme (PSDS) 3C funding is awarded to public sector organisations to de-carbonise heating systems and includes a fabric first approach and de-carbonising by removing all fossil fuel powered boiler plants with electric heat pumps. Applicants are expected to provide a minimum of 12 per cent of the total project cost.
- 1.2. LFC were successful in applying for Salix PSDS 3B in 2022 and have received grant funding as set out in report LFC-0776 – Salix PSDS Funding to the LFC. This project is due to be completed before this next phase of heat de-carbonisation is due to begin.
- 1.3. The Greater London Authority (GLA) via PUMA (environment action group pre-meeting) and ENVIG (environment action group) have been instrumental in ensuring all functional bodies apply for grant funding to assist with finances towards achieving carbon net zero by 2030.
- 1.4. The applications submitted by the LFC are for nine fire stations that have end of life heating boilers and will benefit from the inclusion of double glazing and LED lighting upgrades.
- 1.5. The nine LFB fire stations were selected primarily due to the end-of-life requirements of existing gas-powered boilers as the primary carbon emission plant. Additionally, the project must be begun and completed within 24 months and currently the staffing resourcing meets this requirement.
- 1.6. All nine sites will have an Air Source Heat Pump (ASHP), hybrid boiler system installed and will benefit from cavity wall insulation, smart energy use (Building Management System (BMS)) strategy and draught prevention proofing, all of which are designed to increase thermal efficiency and reduce the carbon emissions to zero (which is in line with the GLA's target for London to be carbon net zero by 2030).

Sites included in the application and works required

Station	Heating	Cavity wall	BMS	Additional measures included for example LED lighting, and/or Solar and/or PV Glazing/ and/or Draught exclusion
Erith	ASHP	Yes	Yes	Yes
Greenwich	ASHP	Yes	Yes	Yes
Millwall	ASHP	Yes	Yes	Yes
Peckham	ASHP	Yes	Yes	Yes
Stanmore	ASHP	Yes	Yes	Yes
Stoke Newington	ASHP	Yes	Yes	Yes
Tottenham	ASHP	Yes	Yes	Yes
Willesden	ASHP	Yes	Yes	Yes

Woodside	ASHP	Yes	Yes	Yes
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(N/R – Not Required, indicates station currently has this installed)

- 1.7. Where required LFB have already engaged with the Distribution Network Operator (DNO) for an electrical power upgrade. The engagement is preliminary and will require being made formal once LFB has confirmation of successful applications.
- 1.8. The grant is provided to LFC and requires regular reporting directly back to Salix via a weekly telephone call and a monthly submission of project timelines and invoice submissions. This paper seeks the required governance that Salix makes as a condition of offering the grant to LFC.
- 1.9. This heat de-carbonisation project would form part of the LFC adoption of programme eight of the LFC's Community Risk Management Plan.

2. Objectives and expected outcomes

Financial consideration

- 2.1 The spend and grant funding for each site is detailed in part two of the decision.
- 2.2 LFC has contracted Zenergi consulting to prepare and assist with submission of Salix PSDS bid. They were chosen because Zenergi are one of the organisations that carry out technical audits of Salix PSDS applications and have previously provided insight and very high technical knowledge. The contract was directly awarded as spend was under £25,000.
- 2.3 This report recommends LFC accept the Salix grant fund offer and instruct Zenergi to design and project manage all nine building retrofits projects to deliver carbon net zero at nine LFC fire stations.
- 2.4 The finance from LFC is considered a funding match as Salix funding finances the gap between replacing like for like (gas boilers) with electrically powered heat pump technology. The additional finance for increasing the insulation is as part of the lower heat output of heat pump technology. The LFC funding portion will be funded from the LFB capital works register and the Estate Capital Investment Plan (ECIP).
- 2.5 The nine properties will benefit from lower utility use, the buildings will be more efficient and require less energy to heat. In addition, heat pump technology is three times more efficient than a gas-powered heating system.

Options

- 2.6 LFB is currently reviewing all the financial options to fund the draft carbon net zero strategy. If this grant was not accepted, LFB would need to undertake borrowing as part of the capital programme to fund this resource, grant and seek funding from an alternate source.

Delivery

- 2.7 Salix will carry out a feasibility study and check that the project can be delivered within the timeframe. Salix will then appoint a technical manager to ensure the project meets the specifications and delivers the carbon reduction targets.
- 2.8 LFC have appointed Zenergi to manage the design and specifications of the de-carbonisation projects throughout the Salix PSDS 3C application process. The heat de-carbonisation plans (HDP) will require a full technical design to be carried out to take the design to the Royal Institute of Building Surveyors

(RIBA) to design stage four. This is the stage immediately prior to beginning on site. LFC will contract and employ a design team/organisation to submit full and final designs to RIBA stage four.

- 2.9 Following development of the scheme design by the appointed consultant, the procurement process to appoint the successful contractor shall be undertaken in accordance with the LFC's Scheme of Governance in particular Part 3 – Standing Order for Procurement and in compliance with Public Procurement Regulations 2015, as applicable.
- 2.10 LFB will submit all relevant documentation to the Salix administrator to ensure correct and submission of funding draw down.
- 2.11 The delivery of the project to retrofit the nine buildings will be managed by the LFB Property Group (Capital Delivery Team) and will follow the standard project delivery mechanisms. There are no additional staffing costs arising from the proposed decision. Deputy Mayor for Fire and Resilience Decision 211 (Provision of Increased Electrical Power at 55 Fire Stations) gave approval for the London Fire Commissioner to commit revenue expenditure for the creation of two additional posts in LFB's Carbon Reduction team and report LFC-23-072 gave approval for the creation of those posts.
- 2.12 On completion of the works and defects liability period, the maintenance and servicing of all new low carbon technologies installed will be passed to LFB hard services provider following a soft landings handover process.
- 2.13 The nine projects must be completed and invoiced before 31 March 2026. However, in extenuating circumstances an extension can be granted.

3. Equality comments

- 3.1 The LFC is required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 3.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3 The protected characteristics are as follows; age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
 - Eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
 - Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
 - Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- tackle prejudice
 - promote understanding
- 3.8 An Equality Impact Assessment (EIA) was completed. This confirmed that the Carbon Net Zero programme 2023 has low impact on equalities and might have the potential to improve the LFB estate to make it more inclusive. In addition, an EIA will be completed on each major project within the Carbon Zero Programme.

4 Other considerations

Workforce comments

- 4.1 The Carbon Zero delivery programme provides a detailed programme of work for the LFB project team. No impact on the workforce is anticipated. The representative bodies were provided with a copy of the LFC report.

Sustainability comments

- 4.2 This report outlines LFC's carbon net zero proposals, in accordance with the 2030 net zero targets set by the GLA. It sets out the requirements for staff engagement and training, taking into account current and proposed carbon impact training. Where new policies and/or corporate projects may arise, they are subject to the Brigade's Sustainable Development Impact Assessment (SDIA) process. An SDIA has been completed and approved.

Procurement comments

- 4.3 Any procurement activity required under the LFC report for the delivery of the identified Salix projects will be undertaken in accordance with the LFC's Scheme of Governance in particular Part 3 – Standing Order for Procurement and in compliance with Public Procurement Regulations 2015, as applicable.
- 4.4 Review of the various routes to market will be supported by Procurement to ensure consideration of effective competition and identification of best-fit contractor options. Routes to market will include the review of applicable public sector frameworks and other compliant market engagement options. Any final contract award(s) shall be made to the most economically advantageous tender against pre-defined quality/technical and price criteria. Any awarded contract(s) shall include a range of performance incentive measures to ensure the works are effectively delivered to defined cost and quality requirements.

Conflicts of interest

- 4.5 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

5 Financial comments

- 5.1 If the grant bid was successful, this would have capital financing cost savings as there would no longer be a requirement to fund these particular schemes through external borrowing which LFB would usually carry out with the Public Works Loans Board (PWLB). The current interest rates of this type of borrowing are in the region of 4.5 per cent per annum over the life of the asset.
- 5.2 There are no direct financial implications for the GLA.

6 Legal comments

- 6.1 Under section 9 of the Policing and Crime Act 2017, the LFC is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.2 By direction dated 1 April 2018, the Mayor set out those matters, for which the LFC would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor"). Paragraph (b) of Part 2 of that direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".
- 6.3 The arrangements proposed is consistent with the LFC's power under section 5A of the Fire and Rescue Services Act 2004 to do anything it considers appropriate for the purposes of the carrying out of any of its functions including working towards GLA Group net zero targets.
- 6.4 These comments have been adopted from those provided by the LFC's General Counsel Department in report LFC-23-111 to the LFC.

Appendices and supporting papers:

LFC-111 – Salix Public Sector De-Carbonisation Scheme 3C (PSDS) Part 1

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? NO

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 – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer

Richard Berry has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service

Niran Mothada has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Fire and Resilience for approval.

✓

Advice

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 8 January 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

09/01/2024