

REQUEST FOR DEPUTY MAYOR FOR FIRE DECISION – DMFD260

Salix Public Sector Decarbonisation Scheme 4 (PSDS) – Decarbonising 10 fire stations

Executive summary:

This report requests the approval of the Deputy Mayor for Planning, Regeneration and the Fire Service to authorise the London Fire Commissioner (LFC) to commit capital expenditure, up to the amount set out in Part 2 of this decision, to match the Public Sector Decarbonisation Scheme (PSDS) 4A grant funding, to undertake works to decarbonise 10 fire stations.

The PSDS supports the aim of reducing emissions from public-sector buildings by 75 per cent, by 2037, compared to a 2017 baseline. This is set out in the 2021 London Fire Brigade carbon net-zero strategy, and is in accordance with programme eight of the LFC's 2023 Community Risk Management Plan. This funding also supports the Greater London Authority target for functional bodies to lead by example and become carbon net-zero by 2030.

Salix funding is a grant and therefore does not have to be paid back. The match funding provided by the LFC will be secured from 20-year capital plan, which has a budget allocated from 2026-27 for carbon-reduction works. This removes the need to find alternative borrowing sources. The project milestones must be achieved within the specified timeframes. This grant spend would cover a two-year project, beginning in 2025 and due for completion in 2027.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the LFC 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 Planning, Regeneration and the Fire Service authorises the London Fire Commissioner (LFC) to commit capital expenditure to deliver match funding for Salix PSDS. This is funded from 20-year capital plan funding, which has a budget allocated from 2026-27 (underwriting any outstanding contributions) to meet the requirements of the LFC contribution towards the 10 projects.

Deputy Mayor for Planning, Regeneration and the Fire Service

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

The above request has my approval.

Signature:



Date:

17/02/2025

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

Decision required – supporting report

1. Introduction and background

- 1.1. Report LFC-25-005 to the London Fire Commissioner (LFC) explains that Salix Public Sector Decarbonisation Scheme (PSDS) 4A funding is awarded to public-sector organisations to decarbonise heating systems. This includes fabric improvements, and removing all fossil fuel powered boiler plants with electric heat pumps. Applicants are expected to provide at least 12 per cent of the total project cost.
- 1.2. The funding is now divided into soft sector caps. The LFC is within the “other” group, alongside other emergency services.
- 1.3. London Fire Brigade (LFB) was successful in applying for Salix PSDS 3C in 2024. It has received grant funding in accordance with LFC decision LFC 23-111Y; and Deputy Mayor for Fire Decision (DMFD) [222](#). This project (Salix PSDS 4A) will run concurrently with PSDS 3C. However, each project will be in different phases – 4A will be design, and 3C will be delivery.
- 1.4. There are no additional staffing costs arising from the proposed decision. [DMFD211](#) (Provision of Increased Electrical Power at 55 Fire Stations) gave approval for the LFC to commit revenue expenditure for the creation of two additional posts. Report LFC-23-072 approved the creation of these posts in LFB’s Carbon Reduction team.
- 1.5. The Greater London Authority (GLA) – via PUMA (an environment action group pre-meeting) and the Environment Action Group – has been instrumental in ensuring all functional bodies apply for grant funding to assist with finances towards achieving carbon net zero by 2030.
- 1.6. LFB has submitted applications for 10 fire stations that have end-of-life heating boilers, and will benefit from the inclusion of fabric improvement.
- 1.7. One of these is Mitcham Fire Station, which is a public finance initiative (PFI) site. The LFB property department has carried out extensive engagement with the PFI contractor to ensure the heat decarbonisation plans (HDPs) are of mutual benefit. These will provide low-carbon technologies that: are 300 per cent efficient; require less annual maintenance; and do not pollute the environment with carbon emissions. These advantages would meet the requirements of the service-level agreements within the PFI contract. The project at this site will be managed by the PFI contractor and will be administered differently, whilst continuing to follow the procurement regulations. This requirement will use a contract variation, which will be put into place following a successful offer of grant funding.
- 1.8. The 10 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 completed within 24 months; currently, the staffing resourcing meets this requirement.
- 1.9. All 10 sites will have an air source heat pump and a hybrid boiler system installed. They will benefit from cavity wall insulation; a smart energy use (building management system) strategy; and draught-prevention proofing. All of these measures are designed to increase thermal efficiency and reduce the carbon emissions to zero (in line with the GLA target of carbon net zero by 2030). Cavity wall insulation is in place at most of the sites listed.
- 1.10. The 10 fire stations are: Biggin Hill, Clapham, Deptford, Hendon, Holloway, Ruislip, Tooting, Wandsworth, Wallington and Mitcham.
- 1.11. This HDP would form part of the LFC’s adoption of programme eight of the Community Risk Management Plan.

2. Objectives and expected outcomes

- 2.1. The spend and grant funding for each site is detailed in part 2 of this report.
- 2.2. LFC has contracted Ricardo Energy to prepare and assist with submission of the Salix PSDS 4A bid. It was chosen as it carries out technical audits of Salix PSDS applications, and has previously provided very high technical knowledge with an in-depth insight. The contract was awarded using a procurement-led framework award.
- 2.3. The finance from the 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 part of the lower-heat output of heat pump technology. The LFC funding portion will be funded from the LFB forward capital programme, using funding already included for carbon reduction projects.
- 2.4. The 10 properties will benefit from lower utility use; and 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. Upon completion of each HDP per station, the gas-metered supply will be capped; this will provide a reduction in utilities bills to offset the increased cost of electricity per kWh. Presently electricity is four times more expensive than gas; however, removal will mean the gas standing charge (approximately £2,500 per annum) will cease. The move away from scope one (fossil fuel) emissions to scope two (renewable energy) emissions will result in a higher cost, due to the comparison between gas and electricity.
- 2.5. 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.
- 2.6. The 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. The LFC will contract and employ a design team/organisation to submit full and final designs to RIBA stage four. This will be administered using a framework approved by the LFC.
- 2.7. 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 amended to Procurement act 2023, as applicable.
- 2.8. The LFC will submit all relevant documentation to the Salix administrator to ensure correct submission of funding drawdown.
- 2.9. The delivery of the project to retrofit the 10 buildings will be managed by the LFB property group (capital delivery team), and will follow the standard project delivery mechanisms. In addition, further support from the carbon reduction team will provide resource to manage the distribution network operator (electrical power supplier) upgrade and reporting to Salix. There are no additional staffing costs arising from the proposed decision.
- 2.10. The 10 projects must be completed and invoiced before 31 March 2027. However, in extenuating circumstances an extension may 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: 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 equalities impact assessment (EIA) was completed. This confirmed that the carbon net zero programme 2023 has low impact on equalities; and may 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 net zero programme.

4. Other considerations

Workforce comments

- 4.1. The carbon net zero delivery programme provides a detailed programme of work for the LFB project team. No impact on the workforce is anticipated. The trade unions will be provided with this report.

Sustainability comments

- 4.2. This report outlines the 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 LFB's Sustainable Development Impact Assessment (SDIA) process. An SDIA has been completed and approved.

Procurement comments

- 4.3. Any procurement activity required 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 the LFC's Procurement department 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. A successful grant bid would have capital financing cost savings, as there would no longer be a requirement to fund these particular schemes through external borrowing (which the LFC would usually carry out with the Public Works Loans Board). The current interest rates for this type of borrowing are in the region of 4.5 per cent per annum over the life of the asset.

6. Legal comments

- 6.1. Under section 9 of the Policing and Crime Act 2017, 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. Section 1 of the Fire and Rescue Services Act 2004 states that the LFC is the fire and rescue authority for Greater London.
- 6.3. The LFC is also a 'best value' authority under the Local Government Act 1999, and must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 6.4. Under section 351A of the GLA Act 1999 the Mayor is required to prepare and publish a London Environment Strategy. Under section 373 of the GLA Act 1999, the LFC must have regard to the London Environment Strategy while exercising any function.
- 6.5. One of the core principles of the London Environment Strategy is that the Mayor and the GLA Group, including the LFC, should lead by example in tackling environmental challenges and for London to become a zero-carbon city by 2050.

- 6.6. The arrangements proposed are consistent with the LFC's power under sections 7 and 5A of the Fire and Rescue Services Act 2004 to make provision for firefighting (specifically, in this case, fire stations), and do anything it considers appropriate for the purposes of the carrying out of any of its functions – including providing heating and working towards the Mayor's environmental strategy, including net-zero targets.
- 6.7. 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. Paragraph (b) of Part 2 of that direction requires the LFC 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". The expenditure discussed in this report and Part 2 therefore requires the approval of the Deputy Mayor.

Appendices and supporting papers:

Appendix 1 – LFC-25-005 – Salix Public Sector Decarbonisation Scheme 4 (PSDS) – Decarbonising 10 fire stations – 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 be published either 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

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

✓

Assistant Director/Head of Service

Rachael Hickman has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Planning, Regeneration and the Fire Service for approval.

✓

Advice

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 17 February 2025.

✓

CHIEF FINANCE OFFICER:

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

Signature:



Date:

19/02/2025