

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DMFD222

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

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This information is not for publication until the stated date, because: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) and the suppliers to the carbon net zero project board.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed:
30 April 2026.

Legal adviser recommendation on the grounds for not publishing information at this time:

In the event the information contained in this part two 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 may be denied on the basis that such information constitute exempt information under section 43(2) of the Freedom of Information Act 2000 (Commercial interests).

The content of this report is commercially sensitive and could prejudice the conduct of the LFB in its duty to secure best value from its procurement of the decarbonisation works.

Section 43(2) is a qualified exemption and, as such, requires that a public interest test be applied to the facts of each case. In this case, it is considered that the public interest in obtaining best value from the proposed procurement process outweigh the public interest in disclosing the information at this time.

Having said that, publication is recommended once the procurement has concluded and the resulting contract(s) has been completed.

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

Name: John Benson on behalf of TfL Legal

Date: 15/12/2023

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

Confidential decision and/or advice:

Part One of the report sets out the background to the request for the Deputy Mayor for Fire and

Resilience to authorise the London Fire Commissioner to commit expenditure totalling £5,450,867.00, which comprises Salix grant funding of up to £1,839,174.00 and capital expenditure of up to £3,611,693.00 to deliver the funding match for Salix Public Sector Decarbonisation Scheme (PSDS) funded from the Estate Capital Investment Programme (ECIP) for financial years 2024-26, underwriting any outstanding contributions up to £3,611,693.00 to meet the requirements of the LFC contribution towards the projects to decarbonise nine fire stations.

Financial comments

This report seeks approval for the LFC to commit to match fund nine projects proposed under PSDS funding for the deep retrofit to a value of up to £3,611,693.00. Funding within LFC are included in the LFB capital programme under the internally funded carbon reduction forecast. The spend and grant funding for each site is contained within Part Two of report LFC-23-111 Appendix 1. The grant of £1,839,174.00 if offered does not require a payback. Therefore, the LFC would be accepting additional funding from the Department for Business, Energy and Industrial Strategy via Salix, and the London Fire Brigade (LFB) would have extensive carbon net zero retrofit work carried out at nine fire stations that would benefit from the projects. In terms of a cost benefit, if LFB were to receive full grant funding of £1,839,174.00 then this would generate an annual debt charge of £188,530.37 in the first year and Minimum Revenue Provision (MRP) charge of £361,169 throughout the 10-year asset life. This is based on the Green Finance Fund (GFF) repayment via instalment rate without the project discount of 5.22 per cent. Further project discount may apply if the criteria set out below are met.

The level of project discount is determined by the GFF Credit Committee and projects must meet three criteria to be eligible for this discount:

- annual costs savings and/or other revenues generated as a result of the climate measures are less than the annual interest/principal repayments to the GFF;
- no more than £3,500 should be spent to save a tonne of carbon (tCO₂e) over the lifetime of the project; and
- additionality – evidence that the project would not go ahead, be delayed, or achieve a lower impact without subsidy.

The GFF rate is lower than the Public Works Loans Board (PWLB). The PWLB fixed certainty rate for a 10-year loan repayment via instalments is currently 5.42 per cent, Thus, the GFF option gives annual debt charge savings of £7,232.

Confidential Appendices and supporting papers

Report LFC-23-111 – Salix Public Sector De-Carbonisation Scheme 3C (PSDS) – Part 2