

DMPC Decision – PCD 897

Title: Public Sector Decarbonisation Scheme and Low Carbon Skills Fund Grant Applications

Executive Summary:

This paper seeks approval to submit applications for grant funding to the Public Sector Decarbonisation Scheme and the Low Carbon Skills Fund. The grant applications will be for a total of £2.6m, and are estimated to reduce the need for MOPAC funded capital expenditure by £1.15m, generate annual revenue savings of £29,000, and save 172.5 tonnes of CO2 each year.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

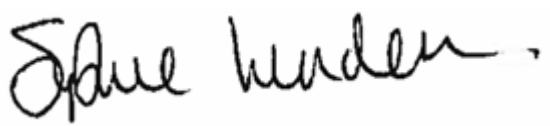
1. Approve the application for grant funding to the Public Sector Decarbonisation Scheme for a total grant of £2,560,000
2. Approve the application for grant funding to the Low Carbon Skills Fund, for a total grant of up to £40,000, in support of consultancy services to support our grant project development and application process, and for the preparation of a Met Estate decarbonisation plan.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date

22/12/2020

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. The Public Sector Decarbonisation Scheme (PSDS) is a £1bn fund for capital energy efficiency and heat decarbonisation projects within public sector non-domestic buildings. Grant funding is available for up to 100% of the costs of capital energy-saving projects. The Public Sector Low Carbon Skills Fund (LCSF) is an aligned grant scheme, launched at the same time as the PSDS and aimed at supporting public sector bodies to engage specialist and expert advice.

2. Issues for consideration

- 2.1. The Met, in common with all GLA group organisations, has a target to reduce operational-related carbon emissions to net zero by 2050, and the Mayor has an ambition for London to be carbon neutral by 2030.
- 2.2. The four projects proposed are to invest in sites which will form part of the retained MOPAC estate and are :
- Imber Court (Mounted Branch) – Air Source Heat Pump (ASHP) heating for the reception block;
 - Keston Dog Training Centre – ASHP heating for vet block, garage block, main kennels and breeding block with additional local radiant and infrared heating to the main kennels and breeding block;
 - Gipsy Hill Police Station – ASHP for heating and hot water, plus replacement windows to improve thermal performance;
 - Walworth Police Station – ASHP for heating with gas-fired boiler top-up for the coldest days (required due to the size of the site).
- 2.3. If successful the proposed projects would deliver a annual reduction in CO2 emissions of 172.5 tonnes.
- 2.4. Whilst the final deadline for submission of bids is 11 January 2021 the applications are treated on a ‘first-come, first-served’ basis and at whatever point the funds are exhausted, no further applications will be accepted.

3. Financial Comments

- 3.1. This paper seeks approval to submit applications for grant funding for £2.56m for capital works and £40,000 for energy consultancy. If the bid is accepted there will be a reduced call on MOPAC funding for the capital programme of £1.15m and £40,000 on the revenue budget.
- 3.2. The projects are expected to generate annual revenue savings on energy costs of £29,000.

4. Legal Comments

- 4.1. If successful, MOPAC may accept this Grant pursuant to Paragraph 7, Schedule 3 of the Police Reform and Social Responsibility Act 2011 which states that “(1)The Mayor’s Office for Policing and Crime may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office. (2) That includes— (a) entering into contracts and other agreements (whether legally binding or not);
- 4.2. Para 4.8 of the MOPAC Scheme of Consent and Delegation provides the DMPC with delegated powers to approve bids for grant funding.

5. Commercial Issues

- 5.1. Existing MOPAC approved frameworks for Minor & Intermediate Building Works and Construction Professional Services will be used to appoint contractors and consultants to carry out these works.

6. GDPR and Data Privacy

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The projects do not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

7. Equality Comments

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The MPS report that there are no specific diversity and inclusion matters arising from the application for the grant.

8. Background/supporting papers

- Appendix 1 MPS Report Public Sector Decarbonisation Scheme Grant Application

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date: n/a

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form –NO

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

Commercial issues are covered in the body of the report.

✓

GDPR/Data Privacy

GDPR compliance issues are covered in the body of the report

✓

Director/Head of Service:

The interim Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 18/12/2020



Public Sector Decarbonisation Scheme Grant Application

MOPAC Investment Advisory & Monitoring meeting

Report by Vince Fihosy on behalf of the Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

The Public Sector Decarbonisation Scheme (PSDS) is a £1bn fund for capital energy efficiency and heat decarbonisation projects within public sector non-domestic buildings. Grant funding is available for up to 100% of the costs of capital energy-saving projects. The Public Sector Low Carbon Skills Fund (LCSF) is a separate, aligned grant scheme, launched at the same time as the PSDS and aimed at supporting public sector bodies to engage specialist and expert advice.

Under the scheme of delegated authority, MOPAC approval is required for all grant funding applications.

The detailed guidance for PSDS applications was issued in early October 2020, with the first deadline for applications due less than four weeks later. The time required to identify and assess project opportunities, and undertake the associated feasibility studies, resulted in it being too late to include a paper in the November MPS/MOPAC governance cycle, hence the request for an expedited approval process. Funds are available on a first-come, first-served basis with all compliant, eligible projects being awarded funding. Whilst earlier deadlines have now passed, we are in a position to enter a grant application in time for the final deadline of Monday 11th January 2021.

We therefore request that this briefing paper is addressed through the virtual PIB/IAM process in order to ensure that we meet the deadline for the final round of applications (Monday 11th January 2021). A final approval decision is required before **Wednesday 6th January 2021**.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. **Approve**, through the virtual PIB/IAM approval process, the application for grant

funding to the Public Sector Decarbonisation Scheme for a total grant of £2.56M across the following four projects:

- a. Imber Court (Mounted Branch facilities)
- b. Keston Dog Training Centre
- c. Gipsy Hill Police Station
- d. Walworth Police Station

2. **Approve** the application for grant funding to the Low Carbon Skills Fund (LCSF), for a total grant of up to £40K. The LCSF provides grants to public sector organisations to engage technical specialists to support decarbonisation. If awarded, this grant funding will pay for specialist professional advice in relation to carbon reduction. This will cover the cost of technical support in delivering the four decarbonisation projects identified in paragraph 1, and the preparation of a Met Estate decarbonisation plan.
3. **Note** the following outcome from applying for grant funding for these projects:
 - a. A reduction in the borrowing requirement of **£1.15M**
 - b. A **£40K** revenue saving in the 2020/21 financial year
 - c. Forecast **£28.6K revenue saving per annum** in energy cost savings
 - d. **172.5 tonnes CO₂** saved per annum

Time sensitivity

A decision is requested from the Deputy Mayor before **Wednesday 6th January 2021**, as the final deadline for grant applications is Monday 11th January 2021.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

Introduction

1. The Public Sector Decarbonisation Scheme (PSDS) was announced in July 2020 as part of the Chancellor's policy paper "A Plan for Jobs for 2020". Details of the scheme began to emerge in September 2020 with full details and application guidance published on 1st October 2020.
2. The PSDS is a £1bn fund for capital energy efficiency and heat decarbonisation projects within public sector non-domestic buildings. Grant funding is available for up to 100% of the costs of capital energy-saving projects. Funds are available on a first-come, first-served basis with all compliant, eligible projects being awarded funding. If funding is exhausted before the final deadline, applications will no longer be accepted.
3. The Public Sector Low Carbon Skills Fund (LCSF) is an aligned grant scheme, launched at the same time as the PSDS and aimed at supporting public sector bodies to engage specialist and expert advice to:

- Identify and develop energy efficiency and low carbon heat upgrade projects
- Prepare robust and effective funding applications to the PSDS grant scheme

Activities that support the delivery of projects, and put in place or improve existing Heat Decarbonisation Plans will also be accepted.

Policy Background

4. The Met, in common with all GLA group organisations, has a target to reduce operational-related carbon emissions to net zero by 2050. This requires a significant change in our asset infrastructure, in our buildings and our vehicle fleet. Over time and by 2050, this will require significant capital investment above our historic BAU capital investment plans. A major part of the investment would be required to fund low carbon heat projects across the property estate, similar to those we are proposing to apply for grant funding.
5. The government, through BEIS, has prioritised grant funding specifically for the decarbonisation of heat (as opposed to simpler energy efficiency projects), in order to support the growth of this industry and skills base in the UK. The decarbonisation of heat, similar to previous initiatives to decarbonise transport, requires a rapid acceleration in order for the UK to meet its interim and final decarbonisation targets.
6. It is worth noting that late in 2020, the GLA outlined the aspiration for GLA group organisations to be net zero by 2030 (i.e. bringing forward the target date from 2050), an election pledge by Mayor Sadiq Khan for the next mayoral election. We therefore need to anticipate the implications of a policy change to 'Carbon Neutral by 2030'. Such a change in GLA policy would accelerate the requirement for significant asset intervention and associated capital funding. The proposed grant funded projects would be useful preparation for the Met, both in terms of increasing our understanding of heat decarbonisation, as well as offsetting future capital funding requirements.

Issues for consideration

Timeline

7. Applications to both the PSDS and LCSF are assessed on a regular basis with applicants being informed of the outcome within three weeks of applications being submitted.

8. The timetable for applications to the PSDS is as follows:

Applications submitted by:	Applications assessed by:
Monday 26 th October 2020	Friday 13 th November 2020
Monday 9 th November 2020	Friday 27 th November 2020
Monday 23 rd November 2020	Friday 11 th December 2020
Monday 11 th January 2021	Friday 29 th January 2021

9. As noted in paragraph 2, with each 'funding round', applications are treated on a 'first-come, first-served' basis and at whatever point the funds are exhausted, no further applications will be accepted.
10. The detailed guidance was issued in early October with the first deadline for applications due less than four weeks later. By the time project opportunities were identified and feasibility studies undertaken, it was too late to meet the November PIB deadline.
11. We therefore request that this briefing paper is addressed through the virtual PIB/IAM process in order to ensure that we meet the deadline for the final round of applications (Monday 11th January 2021). A final approval decision is therefore required by Wednesday 6th January 2021.
12. Projects should be completed by 30th September 2021. The PSDS will prioritise assessing and approving funding for projects that have an early completion date.

Capital Projects (PSDS)

13. In September 2020, prior to applications opening, PSD identified a long-list of potential eligible projects. Once criteria became available, a shortlist was developed through reference to:
 - Energy audits and decarbonisation plans for selected sites identified by Real Estate Management
 - Forward works projects identified by Real Estate Development
 - A large scale heat project identified at Gravesend by the PFI team
14. Once the full criteria became available, an independent consultant supporting the PSD energy management activity was asked to assess the eligibility of projects and compliance of information for applications. Subsequently, our design teams updated feasibility design reports and provided additional information to support applications.
15. The shortlist was further refined by prioritising the projects with the greatest impact and lowest delivery risk, to maximise the opportunity for success.

16. If approved at PIB and IAM, PSD is in a position to make applications on behalf of the Met for the four projects outlined below. There is a compliance tool as part of the application to ensure validity of applications and reduce the reputational risk of our application being rejected.

17. The four projects proposed are:

- Imber Court (Mounted Branch facilities) – Air Source Heat Pump (ASHP) heating for the reception block;
- Keston Dog Training Centre – ASHP heating for vet block, garage block, main kennels and breeding block with additional local radiant and infrared heating to the main kennels and breeding block;
- Gipsy Hill Police Station – ASHP for heating and hot water, plus replacement windows to improve thermal performance;
- Walworth Police Station – ASHP for heating with gas-fired boiler top-up for the coldest days (required due to the size of the site).

18. All four projects form part of the retained estate.

19. All four projects are included within the approved Forward Works plan for financial years 2020/21 and 2021/22. However, these proposed projects, as they currently stand, rely on fossil fuel powered boiler systems (oil and/or gas). Applying for the PSDS would allow these projects to be delivered using electric ASHP technology. This is deemed to be low carbon technology because the increasing use of renewable electricity sources removes reliance on fossil fuels.

Consultancy Services (LCSF)

20. PSD is proposing to apply for grant funding from the LCSF for consultancy services in support of developing additional heat decarbonisation plans for a number of sites around the Met Estate. This will allow us to strategically plan for our net zero carbon future and assess the scope and scale of work required to decarbonise our estate.

21. The Met already has an energy consultant (with security clearance) appointed via a compliant competitive process through BLOOM. Should an application be made to the LCSF for support with the decarbonisation plans, this will represent a direct saving to the Met's revenue budget for 2021/22.

22. The cost estimate from the Met's existing energy consultant for developing a decarbonisation plan is £1,500 per site. Given the constraints of internal resources and the size and complexity of the Met's estate, we would request approval to apply for grant funding of up to £40K to fund this work.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

23. Although not specifically mentioned in the MOPAC Police & Crime Plan, this grant application and the subsequent work will contribute directly to the GLA's decarbonisation activity as well as the Mayor's London Environment Strategy.

Financial Comments

24. The MPS is seeking approval to submit a grant application of £2,600K, of which £40K relates to energy consultancy to develop a decarbonisation plan, and £2,560K relates to capital works.

Capital Impact

25. The capital programme currently includes funding of £1,437K to replace fossil fuelled boilers at 4 buildings in the estate. The intention is to apply for funding to enable the projects to be delivered using low carbon technology at a total cost of £2,850K. Of this £2,560K qualifies for grant funding. The balance relates to consequential costs that cannot be grant funded.

As set out in the table below this will reduce expenditure that needs to be met through borrowing by £1,147K.

Table 1 - Capital position for the four proposed Forward Works projects if the Met applies for the PSDS grant

	Proposed Expenditure	Grant funding applied for £	Balance of funding required £	Current Budget Provision £	Reduction in borrowing requirement £
Imber Court	105,287	105,287	0	57,777	-57,777
Keston Main Kennel and Breeding Block	687,005	682,005	5,000	330,730	-325,730
Gipsy Hill	924,354	914,354	10,000	540,838	-530,838
Walworth	1,133,658	858,658	275,000	508,108	-233,108
Total	2,850,304	2,560,304	290,000	1,437,453	-1,147,453

Revenue Impact

26. As set out in the table below the proposed works will deliver a reduction in revenue running costs estimated to be £29K, of which £25K would have been delivered through the replacement of the fossil fuelled boilers, and £4K is due to the low carbon solution.

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

Table 2 - Revenue position for the four proposed Forward Works projects if the Met applies for the PSDS grant

	REVENUE POSITION				
	A) Energy Utility Cost (current)	B) Energy Utility Cost (BAU upgrade)	C) Energy Utility Cost (low carbon upgrade)	Additional Energy Utility Savings (low carbon upgrade) (B-C)	Net Energy Utility Savings (low carbon upgrade) (A-C)
Imber Court	£1,955	£1,412	£1,454	-£42	£501
Keston Dog Kennels	£40,096	£26,514	£16,600	£9,914	£23,496
Gipsy Hill	£10,752	£6,811	£7,459	-£648	£3,293
Walworth	£20,916	£14,310	£19,617	-£5,307	£1,299
Totals	£73,719	£49,047	£45,130	£3,917	£28,589

NB: As we move to a decarbonised future, it is anticipated that gas prices will increase, to disincentivise use and subsidise low-carbon electricity, thereby increasing the revenue saving delivered through the low carbon solution.

27. In addition grant funding of £40K will be used to fund an energy consultancy whose costs would have needed to be met through existing resources.
28. This represents a total revenue saving of £69K in 2020/21 financial year and £29K p.a. in future financial years

Commercial and Procurement Comments

29. The MPS's Minor & Intermediate Building Works Framework (Contract No.SS316146) and Construction Professional Services Framework (Contract no.SS3161091) have been specifically developed and implemented to deliver Estates Transformation and Forward Works programmes of work.
30. The intention is to utilise both frameworks as being a cost effective and efficient way to appoint both consultant and contractor. Professional services will be appointed following mini competition from Lot 1 for works up to £2M in value. The building works contract will be awarded following mini competition from Lot 1 (works from £50K to £500K) and Lot 2 (works from £500K to £5M).

Legal Comments

31. MOPAC may accept this Grant pursuant to Paragraph 7, Schedule 3 of the Police Reform and Social Responsibility Act 2011.
32. Para 4.8 of the MOPAC Scheme of Consent and Delegation provides the DMPC with delegated powers to approve bids for grant funding.
33. The grant agreement will be published pursuant to The Elected Local Policing Bodies (Specified Information) (Amendment) Order 2012.

Equality Comments

34. There are no specific diversity and inclusion matters arising from the application for the grant. All individual projects will follow the Property Services lifecycle process including relevant consultations with stakeholders.

Privacy Comments

35. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.

Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.

The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure each project meets its compliance requirements.

The projects do not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real Estate Implications

36. As expressed in paragraphs 13 to 18 above, any grant received will be used to directly fund Real Estate Development projects to support the ongoing effectiveness of the MPS Estate.

Environmental Implications

37. This stream of activity contributes directly to delivering the Mayor's London Environment Strategy² by supporting the MPS to prepare for a decarbonised future.
38. The public sector will receive the full carbon and financial benefits of the projects.
39. The cost to save a tonne of carbon over the lifetime of the project must be no more than £500.
40. The carbon position is shown in Table 3 below. This shows a very significant carbon saving of 172.5 tonnes of CO₂ per annum across the four sites.

² <https://www.london.gov.uk/WHAT-WE-DO/environment/environment-publications/draft-london-environment-strategy>

Table 1 - Carbon position for the four proposed Forward Works projects if the Met applies for the PSDS grant

	CARBON POSITION
	Total tonnes CO ₂ saved per year
Imber Court	5.2
Keston Dog Kennels	80.4
Gipsy Hill	40.5
Walworth	46.4
Totals	172.5

Background/supporting papers

41. All information is contained within this Part 1 paper as such there is no Part 2 paper or other background papers.

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