

DMPC Decision – PCD 1020

Title: Decarbonisation Grant Update

Executive Summary:

In December 2020 MOPAC approved a bid to government to access Public Sector Decarbonisation Fund grant funding. Following a partially successful grant bid this paper seeks approval to invest in and initiate the procurement for a series of works to contribute to decarbonising the Metropolitan Police Service (MPS) estate. The total spend proposed is £1,965,852, with the grant contributing £881,774 to this. The net cost is funded from within the existing approved capital budget. The implementation of the works will deliver annual revenue savings of £79,677 and an annual reduction of 223.6 tonnes of CO2 emissions.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

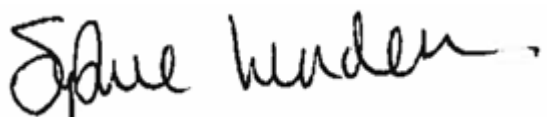
1. Approve expenditure of £1,965,852 enabling the progression of these 3 projects, detailed within the Public Sector Decarbonisation Scheme and Low Carbon Skills Fund Grant Application paper. Noting this includes £881,774 of grant funding, which will be repaid to the MPS at agreed payment points during delivery of the projects.
2. Provide delegated authority to the Director of Commercial Services to initiate procurement action from the framework agreements specified and subsequently enter into the associated contracts with the successful suppliers.
3. Provide urgent approval to proceed as it is imperative that these works are completed within the 2021/22 financial year to meet the grant funding conditions for all three projects. It should also be noted that the works entail heating system and window replacements, which will need to be completed prior to the winter months (2021).

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

2/8/2021

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

1. Introduction and background

- 1.1. In December 2020 MOPAC [PCD897] approved the submission of a bid to the Government's Public Sector Decarbonisation Scheme and the Low Carbon Skills Fund.
- 1.2. Following an initial rejection a second submission has been successful for 3 of the 4 sites bid for.

2. Issues for consideration

- 2.1. These projects directly contribute to delivering the Mayor's London Environment Strategy by supporting the MPS to prepare for a decarbonised future. MOPAC will receive the full carbon and financial benefits of the projects.
- 2.2. The successful bid will incur total expenditure of £1,965,852 across three sites. The grant funding will meet £881,774 of this cost.
- 2.3. The grant funding conditions require that the costs are incurred during 2021/22, and with the proposed works involving replacement of heating systems and windows there is a need to complete the works ahead of winter.
- 2.4. The investment will generate annual revenue savings of £79,677 and annual CO2 emissions savings of 223.6 tonnes.
- 2.5. Installation of traditional fossil fuel technologies, with an expected lifecycle replacement in 15-20 years would likely lead to any further proposal for a 'Net Carbon Zero 2030' replacement technology being likely to be uneconomic.

3. Financial Comments

- 3.1. The total cost of the proposed investment across the three sites is £1,965,852. The grant funding will contribute £881,774 to this cost, resulting in a net cost of £1,084,078. There is approved capital budget for the net cost of the proposed investment of £1,437,453 and so there will be a reduced call on the capital programme for these projects of £324,055.
- 3.2. The grant funding will meet the additional costs of implementing the low carbon solution.
- 3.3. The investment will generate full year annual revenue savings of £79,677.

4. Legal Comments

- 4.1. In carrying out its functions, MOPAC may, under paragraph 7, Schedule 3 of the Police Reform and Social Responsibility Act 2011 “do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office”. Section 6 of the Police Reform and Social Responsibility Act 2011 (“the Act”) provides the MOPAC must secure the maintenance of the Metropolitan Police Service, and secure that the Metropolitan Police is efficient and effective.
- 4.2. Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.
- 4.3. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above.
- 4.4. The MPS assure that the proposed route to market is compliant.

5. Commercial Issues

- 5.1. The proposed works involve installation of Air Source Heat Pumps (ASHP), cavity wall insulation, photo-votalic (PV) panel, replacement windows light-emitting diodes lighting and lighting controls.
- 5.2. The MPS will use mini-competitions from previously approved MOPAC frameworks - Minor & Intermediate Building Works and Construction Professional Services to deliver the 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 MPS assure that the project does not use personally identifiable data of members of the public and 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 assure that there are considered to be no negative equality or diversity implications arising from this process negating the requirement to present any mitigation. Any approved suppliers will be evaluated for acceptable equality and

diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC.

8. Background/supporting papers

- Appendix 1 Forward Works Decarbonisation Grant Application Update Paper

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.

✓

Drafting Officer

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

Director/Head of Service:

The MOPAC Chief Finance Officer and Director of Corporate Services 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 27/7/2021



MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

Forward Works Decarbonisation Grant Application Update Paper

MOPAC Investment Advisory & Monitoring meeting,
19 July 2021 'Out-of-Committee' review

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

PIB and IAM approved the application for grant funding for 4 capital energy efficiency and heat decarbonisation projects in December 2020 [PCD897].

Prior to the application in April 2021, the criteria for funding changed and 1 of the 4 projects was no longer eligible. The application was successful and the grant authority awarded funding for the 3 sites within the MPS application.

This paper seeks approval to progress the 3 projects and to spend the allocated capital plan budget.

A summary of the projects can be found in the Strategic Case.

Recommendations

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

1. **Approve** expenditure of £1,965,852 enabling the progression of these 3 projects, detailed within the Public Sector Decarbonisation Scheme and Low Carbon Skills Fund Grant Application paper. Noting this includes £881,774 of grant funding, which will be repaid to the MPS at agreed payment points during delivery of the projects.
2. **Provide** delegated authority to the Director of Commercial Services to initiate procurement action from the framework agreements specified in paragraph 9 below and subsequently enter into the associated contracts with the successful suppliers.
3. **Provide** urgent approval to proceed as it is imperative that these works are completed within the 2021/22 financial year to meet the grant funding conditions for all three projects. It should also be noted that the works entail heating system and window replacements, which will need to be completed prior to the winter months (2021).

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

Introduction and background

1. This paper provides an update to the Public Sector Decarbonisation Scheme and Low Carbon Skills Fund Grant Application paper [PCD897] approved by PIB and IAM in December 2020 (see Appendix 1).
2. A grant application was submitted in April 2021, which was successful, providing grant funding for zero carbon initiatives at 3 sites.
3. This paper seeks approval to progress these projects, and approval to spend the allocated budget from the approved capital plan.

Issues for consideration

4. Funding and Capital Plan Budget
 - The 2021/22 Forward Works plan approved by the Property Services Directorate Real Estate Development Board in March 2021 included works to replace the heating systems, windows and LEDs at Keston, Gypsy Hill and Walworth PS.
 - The budget allocated from the capital plan to complete these works was approved and made available at the start of the 2021/22 financial year.
 - The grant application will fund the uplift required to progress Zero Carbon measures at these sites.
5. Grant conditions
 - The works are required to be completed within the 2021/22 financial year to meet the grant funding conditions. Due to the types of works being undertaken in these sites, such as replacing heating systems and windows, the works will need to take place before the winter months.
 - There are individual grant conditions applied to each project, which must be reported against on a monthly basis to the grant funding agency, these are detailed within the management plan.
 - 1 of the 4 projects reported in the original paper did not meet the grant funding criteria, therefore this project was withdrawn prior to the application being submitted. The projects awarded the grant funding are Keston Dog Training Centre, Gypsy Hill Police Station and Walworth Police Station. (Imber Court was withdrawn).

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

6. These works will ensure key services are maintained, enabling the MPS to keep London safe in accordance with the MOPAC Police & Crime Plan 2017-2021.

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

Financial, Commercial and Procurement Comments

7. This paper is seeking approval to proceed with these 3 projects at a total cost of £1,965,852, noting this includes £881,774 of grant funding from the Public Sector Decarbonisation Scheme, supported by the Department for Business, Energy and Environmental Strategy (BEIS).
8. The original unsuccessful funding criteria would have covered the full cost of the new installations. The subsequent second funding application covered just the extra over cost of the low carbon solution, but is still less than the amount within the approved capital programme. Whilst the benefit to the MPS is reduced as a result, there is still a significant saving against the approved budget, plus the CO₂ savings that will arise through the installation of the low carbon solutions.
9. 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.
10. 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

11. The Mayor's Office for Policing Crime is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £189,330 or above will be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.
12. Paragraph 9 of this report confirms the MOPAC's proposed route to market is to use compliantly procurement framework agreements. On the basis the ordering processes for the framework agreement are followed the proposed award will be compliant with the Regulations. Individual projects to be procured under the two frameworks will seek governance approvals as appropriate in line with the Scheme of Delegated Authority.
13. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
 - Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
 - All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).

14. Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.
15. In carrying out its functions, MOPAC may, under paragraph 7, Schedule 3 of the Police Reform and Social Responsibility Act 2011 “do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office”. Section 6 of the Police Reform and Social Responsibility Act 2011 (“the Act”) provides the MOPAC must secure the maintenance of the Metropolitan Police Service, and secure that the Metropolitan Police is efficient and effective.

Equality Comments

16. There are considered to be no negative equality or diversity implications arising from this process negating the requirement to present any mitigation. Any approved suppliers will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.
17. In addition, it should be noted that the MPS support the Mayor’s Responsible Procurement Policy including: Enhancing Social Value, Encouraging Equality and diversity, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability.

Privacy Comments

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

Environmental Implications

19. These projects directly contribute to delivering the Mayor’s London Environment Strategy by supporting the MPS to prepare for a decarbonised future. The public sector will receive the full carbon and financial benefits of the projects
20. The cost to save a tonne of carbon over the lifetime of the project must be no more than £325 for the current round of grant funding, a reduction from the £500 contained within the original decarbonisation grant scheme paper (see Appendix 1). The carbon position for these projects has, however, improved since the original decarbonisation grant scheme paper (see Appendix 1), due to the inclusion of additional carbon reduction measures which became eligible for grant funding. Therefore there is a very significant carbon saving of 223.6 tonnes of CO₂ per annum across the 3 sites. It would take approximately 11,150 trees growing for one year to absorb this CO₂ per annum.

Background/supporting papers

Appendix 1 – Approval DMPC decision PCD 897 *‘PSDS and Low Carbon Skills Fund Grant Application’ Dec. 2020*

Report author: Sarah Thorne, MPS PSD Director of Construction.

Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for the Part 2 paper is:
OFFICIAL

Therefore there are no elements of this paper which cannot be published.