

DMPC Decision – PCD 1064**Title: Public Sector Decarbonisation Scheme Grant Application and Investment****Executive Summary:**

This paper seeks approval to submit applications for grant funding to the Public Sector Decarbonisation Scheme. The grant applications will be for a total of £1,816,314. If the applications are successful approval is sought for the investment in the sites at a gross cost of £3,156,293. The balance of cost (£1,339,979) will be met from within the approved capital programme. Whilst there is a minimal annual revenue saving of £600 the implementation of the proposed decarbonised schemes is estimated to save 176 tonnes of CO2 each year.

Recommendation:

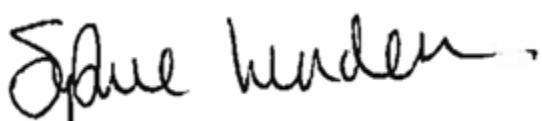
The Deputy Mayor for Policing and Crime is recommended to:

1. Provide approval to proceed with the funding application for £1,816,314 to allow planned Forward Works schemes at Gilmour Section House and Brixton Police Station to be progressed with low carbon measures.
2. Subject to the successful award of the grant, approve expenditure of £3,156,293, enabling the progression of these 2 schemes as decarbonisation projects (noting that this includes £1,339,979 from the Forward Works allocation in the 2022/23 capital programme and £1,816,314 of grant funding as identified above.
3. Provide delegated authority to the Director of Commercial Services to initiate procurement action via compliant MPS frameworks, and to enter into a contracts with the successful suppliers.

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****14/10/2021**

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

1. Introduction and background

- 1.1. The Public Sector Decarbonisation Scheme (PSDS) was launched in 2020 as a £1bn fund for capital energy efficiency and heat decarbonisation projects within public sector non-domestic buildings.
- 1.2. MOPAC successfully applied for grant funding (PCD897) and approved the investment (PCD1020) in three sites which are in progress.
- 1.3. The Government announced a further round of bidding (8 September 2021) with bids to be submitted between 6 October and 2 November.

2. Issues for consideration

- 2.1. The Met, in common with all GLA group organisations, is working to support the Mayoral ambition for London to be carbon neutral by 2030.
- 2.2. The two projects proposed are to invest in sites which will form part of the retained MOPAC estate and are :
 - Gilmour Section House - Air Source Heat Pump (ASHP) for heating and hot water, plus LED lighting and works to improve thermal performance of the flat roof.
 - Brixton Police Station – ASHP for heating.
- 2.3. If successful the proposed projects would deliver a annual reduction in CO2 emissions of 176 tonnes.
- 2.4. The like for like replacement works based on existing fossil fuel systems form part of the 2022/23 Forward Works plan. The grant application will fund the uplift required to progress the low carbon measures, in place of the traditional replacement options at these sites.
- 2.5. Whilst the final deadline for submission of bids is 2 November 2021 the applications are treated on a ‘first-come, first-served’ basis.

3. Financial Comments

- 3.1. This paper seeks approval to submit applications for grant funding for £1,816,314 for the capital works. If the bids are successful the estimated gross costs of the works is £3,156,293. The balance of the costs (£1,339,979) will be met from within the approved Capital Programme Forward Works budget.
- 3.2. The projects are expected to generate minimal annual revenue savings on energy costs of £600.

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. In relation to the receipt of grant monies, under Section 93 of the Police Act 1996, MOPAC “may, in connection with the discharge of any of its functions, accept gifts of money, and gifts or loans of other property, on such terms as appear to [MOPAC] to be appropriate”.
- 4.3. Para 4.8 of the MOPAC Scheme of Consent and Delegation provides the DMPC with delegated powers to approve bids for grant funding made and all offers made of grant funding.
- 4.4. 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.
- 4.5. 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.
- 4.6. 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.
- 4.7. Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent, provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts.

5. Commercial Issues

- 5.1. The goods and works to be acquired will be professional construction services such as design, and building works to implement the installation of Air Source Heat Pumps (ASHP) for heating and hot water, plus LED lighting and works to improve thermal performance of a roof.
- 5.2. The route to market will be by way of mini-competition from MOPAC-approved frameworks - Minor & Intermediate Building Works Framework and Construction Professional Services Framework.

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 1MPS Paper Forward Works Decarbonisation 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	<i>Tick to confirm statement (✓)</i>
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

Stanakuchford.

Date 11/10/2021

**Forward Works Decarbonisation Grant Application**

**MOPAC Investment Advisory & Monitoring meeting,
October 21 '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

This paper seeks approval to proceed with the application for an additional round of the Public Sector Decarbonisation Scheme (PSDS) funding, and seeks approval to spend the associated capital expenditure (CAPEX) from the approved capital plan, and the additional grant funding.

PIB and IAM approved the application for the first rounds of PSDS grant funding in December 2020 [PCD897] following which funding was awarded to progress 3 decarbonisation schemes (currently in progress).

The Department for Business, Energy and Industrial Strategy (BEIS) announced a third round of the PSDS grant funding in September 2021, with applications to be submitted between the 6th October and 2nd November 2021, and to be awarded on a first come first serve basis. (Note: The previous round of funding was fully allocated in the first 48 hours following go live)

If the application is successful, this will provide grant funding for low carbon initiatives for 2 schemes identified in the MPS Forward Works (FW) plan for 2022/23. This work will also deliver a carbon saving of 176.0 tonnes of CO₂ per annum across the 2 sites.

If the application is not submitted by the deadline and the funding requirement is not achieved, delivering the low carbon options would require additional CAPEX.

The current capital plan includes solely for the 'like for like' replacement of the existing fossil fuel systems which will not deliver the Carbon Net Zero 2030 aspirations.

As such this paper seeks urgent approval to apply, award and progress these projects, and seeks approval to spend the allocated budget from the approved capital plan.

To note: The grant only covers Carbon Net Zero over and above the costs of a standard installation.

Recommendations

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

1. Provide approval to proceed with the funding application for £1,816,314 to allow planned Forward Works schemes at Gilmour Section House and Brixton Police Station to be progressed with low carbon measures.
2. Subject to the successful award of the grant, approve expenditure of £3,156,293, enabling the progression of these 2 schemes as decarbonisation projects (noting that this includes £1,339,979 from the Forward Works allocation in the 2022/23 capital programme and £1,816,314 of grant funding as identified above).
3. Provide delegated authority to the Director of Commercial Services to initiate procurement action via compliant MPS frameworks, and to enter into a contracts with the successful suppliers.

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

Introduction and background

1. This paper is concerned with the next round of the PSDS Grant funding application. Previously PIB and IAM approved the application for 3 decarbonisation projects under paper [PCD897] approved by in December 2020 (see Annex 1).
2. The grant funding process dictates that applications need to be submitted in October 2021, which if successful, will provide grant funding for low carbon initiatives at the 2 sites within this paper.
3. This paper seeks approval to apply for the grant funding, to award contracts for the works, and for approval to spend the allocated budget from the capital plan.

Items for consideration

4. Funding and Capital Plan Budget
 - The like for like replacement works form part of the 2022/23 Forward Works plan, the scope for which will be approved by the Property Services Directorate (PSD) Real Estate Development Board (RED).
 - The funding for the planned works has been allocated from the approved capital plan and will be made available at the start of the 2022/23 financial year.
 - The grant application will fund the uplift required to progress the low carbon measures, in place of the traditional replacement options at these sites.

5. Grant conditions

- The works are required to be completed within the 2022/23 financial year to meet the grant funding conditions. It should be noted that due to the types of works being undertaken in these sites, replacing heating systems and windows as an example, the works will need to take place prior to 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, following the same process as set out for the first round of grant funded projects, which are currently in progress.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

6. The traditional replacement works form part of the FW lifecycle plan, and will ensure key services are maintained, enabling the MPS to keep London safe in accordance with the MOPAC Police & Crime Plan.
7. In addition, the delivery of the low carbon options in place of the traditional replacements, support the GLA Zero Carbon ambitions, and form part of the MPS 2030 Environmental Strategy.

Financial, Commercial and Procurement Comments

8. This paper is seeking approval to proceed with 2 decarbonisation projects at a total cost of £3,156,293, noting that this includes £1,816,314 of grant funding from the Public Sector Decarbonisation Scheme, supported by the Department for Business, Energy and Environmental Strategy (BEIS).

The costs of the works are as follows:

Gilmour Section House

Capital Funded (Forward Works Capital Plan)	£604,915
Grant amount	£1,225,494
Total combined	£1,830,409

Brixton PS

Capital Funded (Forward Works Capital Plan)	£735,064
Grant amount	£590,820
Total combined	£1,325,884

Combined Capital	£1,339,979
Combined Grant amount	£1,816,314
Total combined	£3,156,293

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

9. Both contractors and consultants will be appointed using MOPAC approved frameworks; namely the MPS Building Works framework and the MPS Construction Professional Services framework. Call-offs from both frameworks will be in accordance with the terms of the framework agreements and in compliance with Public Contract Regulations 2015.
10. The intention is to utilise both frameworks as being a cost effective and efficient way to appoint both consultants and contractors.

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 proposed route to market is to use compliantly procurement framework agreements, which the MPS has in place already.

Individual projects are to be procured under the two MPS compliant frameworks (Consultant and Contractor) and will seek governance approvals as appropriate in line with the Scheme of Delegated Authority (SDA).

13. The MOPAC Scheme of Delegation and Consent, provides the Deputy Mayor for Policing and Crime ("DMPC") 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 SDA, provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts.
15. Para 4.8 of the MOPAC Scheme of Consent and Delegation provides the DMPC with delegated power to approve bids for grant funding made and all offers made of grant funding.
16. The grant agreement will be published pursuant to The Elected Local Policing Bodies (Specified Information) (Amendment) Order 2012.

17. DLS consider that MOPAC have the legal power necessary to enter into this grant agreement. In relation to the receipt of grant monies, under Section 93 of the Police Act 1996, MOPAC “may, in connection with the discharge of any of its functions, accept gifts of money, and gifts or loans of other property, on such terms as appear to [MOPAC] to be appropriate”.
18. Under Schedule 3, paragraph 7 (1) Police Reform and Social Responsibility Act 2011 (the 2011 Act) MOPAC has incidental powers to “do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office.” Paragraph 7 (2) (a) provides that this includes entering into contracts and other agreements. DLS considers that these powers are sufficiently broad to permit MOPAC to enter into the grant agreement.

Equality Comments

19. There are considered to be no negative equality or diversity implications arising from these projects, 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.
20. 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

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

Environmental Implications

22. 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
23. 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. These projects will deliver a carbon saving of 176.0 tonnes of CO₂ per annum across the 2 sites.

Background/supporting papers

Annex 1 – Approval DMPC decision PCD 897 '*PSDS and Low Carbon Skills Fund Grant Application*' Dec. 2020

Report author: Mike Blows, MPS PSD Head of Engineering.

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.

Forward Works

Decarbonisation Grant Application

Paper

Portfolio Investment Board Extremis

30/09/21

Freedom of Information Act Publication Scheme

Protective Marking	OFFICIAL
Publication Scheme Y/N	N
Title	Forward Works Decarbonisation Grant Application paper
Version	0.10
Summary	Public Sector Decarbonisation Scheme (Third Round) Grant Funding Application paper
(B)OCU or Unit, Directorate	Property Services Directorate
Programme No. / Title	Forward Works
Author	Mike Blows
Date Issued	30/09/21

1. Executive Summary

This paper seeks approval to proceed with the application for an additional round of the Public Sector Decarbonisation Scheme (PSDS) funding, and also seeks approval to spend the associated CAPEX from the approved capital plan, and the additional grant funding.

The BEIS announced a third round of the PSDS grant funding in September 2021, with applications to be submitted between the 6th October and 2nd November 2021, and to be awarded on a first come first serve basis. (Note: The previous round of funding was fully allocated in the first 48 hours following go live)

If the application is successful, this will provide grant funding for low carbon initiatives for 2 schemes identified in the Forward Works (FW) plan for 2022/23. This work will also deliver a carbon saving of 176.0 tonnes of CO₂ per annum across the 2 sites.

If the application is not submitted by the deadline and the funding requirement is not achieved, delivering the low carbon options would require additional CAPEX.

The current capital plan includes solely for the 'like for like' replacement of the existing fossil fuel systems which will not deliver the GLA Net Zero Carbon 2030 aspirations.

As such this paper seeks urgent approval to apply for £1,816,314 of grant funding, to award contracts to progress the 2 schemes, and for approval to spend £1,339,979 of the allocated FW budget from the approved capital plan.

To note: The grant only covers Carbon Net Zero over and above the costs of a standard installation.

2. Decisions Required and Key Issues

Background

PIB and IAM approved the application for the first rounds of PSDS grant funding in December 2020 [PCD897] following which funding was awarded to progress 3 decarbonisation schemes (currently in progress).

This paper seeks approval to proceed with the application for an additional round of the PSDS funding, and seeks approval to spend the associated CAPEX from the approved capital plan.

A grant application needs to be submitted in early October 2021, which if successful, will provide grant funding for low carbon initiatives at the 2 sites detailed in this paper.

Decisions

The Deputy Mayor for Policing and Crime is invited to:

1. Provide approval to proceed with the funding application for £1,816,314 to allow planned Forward Works schemes at Gilmour Section House and Brixton Police Station to be progressed with low carbon measures.
2. Subject to the successful award of the grant, approve expenditure of £3,156,293, enabling the progression of these 2 schemes as decarbonisation projects (noting that this includes £1,339,979 from the Forward Works allocation in the 2022/23 capital programme and £1,816,314 of grant funding as identified above).
3. Provide delegated authority to the Director of Commercial Services to initiate procurement action via compliant MPS frameworks, and to enter into a contracts with the successful suppliers.

Key considerations

➤ Grant Application Conditions

- The notice for the latest round of the funding application process was announced in September 2021. The grant funding process dictates that applications need to be submitted between the 6 the October and the 2nd of November 2021, and are to be awarded on a first come first serve basis, with limited funding available and no guarantees of award of funds on application (Note: Phase 2 of the funding was fully allocated within 48 hours of go live). The actual value of the grant available for phase 3 has not yet been given, but should be announced sometime in 2022.
- The works are required to be completed within the 2022/23 financial year to meet the grant funding conditions.
- 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.

➤ Funding and Capital Plan Budget

- The like for like replacement works form part of the 2022/23 FW plan, the scope for which has been approved by the Property Services Directorate (PSD) Real Estate Development Board (RED).
- The funding for the planned works has been allocated from the approved capital plan and will be made available at the start of the 2022/23 financial year.
- The grant application will fund the uplift required to progress low carbon measures in place of the traditional replacement options at these sites.

Table 1 below sets out a summary of the capital funding versus the grant funding values;

Scheme	Capital Funded (FW Capital Plan)	Grant Funded	Total
Gilmour Section House	£604,915	£1,225,494	£1,830,409
Brixton PS	£735,064	£590,820	£1,325,884
Total	£1,339,979	£1,816,314	£3,156,293

The 5 Cases

3. Strategic Case

Strategic Context

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.

A new phase of funding has been announced, applications for this wave will open on the 6th of October 2021 and will be allocated on a first come, first serve basis.

In December 2020, PIB and IAM approved a similar applications, the successful bid allowed 3 decarbonisation schemes to be progressed, with the works currently underway. The proposal is for 2 further schemes to be completed under this latest round of funding.

These projects were part of a review completed in September 2021, to identify schemes within the FW capital plan, which would have eligibility for grant funding due to their compliance with the grant funding criteria, and which would have the greatest impact on carbon reduction at the lowest delivery risk.

The 2 projects for which grant funding applications will be made are;

- **Gilmour Section House**– Air Source Heat Pump (ASHP) for heating and hot water, plus LED lighting and works to improve thermal performance of the flat roof.
- **Brixton Police Station** – ASHP for heating.

These projects, as they currently stand, rely on fossil fuel powered boiler systems (oil and/or gas). The grant funding allows these projects to be delivered using electric technology. This is deemed to be low carbon technology because the increasing use of renewable electricity sources removes reliance on fossil fuels.

4. Economic Case

Options

Delivery of these 2 schemes are planned in the approved FW Programme. The addition of the grant funding will enable the zero carbon initiatives, not currently planned for, to be delivered, with the additional benefits of reduced revenue costs and improvements in carbon emissions.

The 2 options for consideration are as follows;

Option 1 – Do Nothing (Do not progress with these projects as decarbonisation schemes)

Benefits

- MOPAC will be able to confirm the full scope of any decarbonisation programme and the associated timeline, which this pre-empts.
- PIB will be able to review and approve individual projects as part of a holistic programme.

Risks

- The MPS will not benefit from grant funding to deliver these projects as Net Zero Carbon projects and will instead install traditional fossil fuel technologies, with an expected lifecycle replacement in 15-20 years.
- Potential reputational damage to the MPS, by not progressing the Mayoral zero carbon agenda.
- The requirement for individual papers to be brought forward, and approved by PIB for the traditional replacements and or increased need for CAPEX to deliver the low carbon initiatives at a future date.
- The revenue costs associated with these sites will not be as significantly reduced.
- The carbon emissions will continue at the same level.

Option 2 – Proceed with the grant funded decarbonisation schemes - RECOMMENDED**Benefits**

- The MPS will accelerate reductions in carbon emissions, saving 176.0 tonnes of CO₂ per annum, supporting efforts towards Net Zero carbon.
- There are direct and immediate revenue savings associated with the decarbonised scheme, which will improve incrementally over time as the cost of fossil fuels increases.
- The MPS will be continuing to support the Mayoral ambitions of Net Zero by 2030 aligned with the work being delivered across the GLA family.
- Delivery against MPS environmental aims at nil additional cost to the capital programme.

Risks

- Delivery of the projects within the timeframe conditions set by the grant funding agency.
- There is the potential that technological improvements could provide enhanced solutions in the future.
- Ability to meet the timeline for the grant application process.

5. Commercial Case

Required Services

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 FW programmes of work.

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).

6. Financial Case

Introduction

This paper is seeking approval to proceed with these 2 projects at a total cost of £3,156,293, noting this includes £1,816,314 of grant funding from the Public Sector Decarbonisation Scheme, supported by the Department for Business, Energy and Environmental Strategy (BEIS).

Capital Expenditure

The proposed grant funding application covers the extra over cost of the low carbon solution, to the capital expenditure allocated in the FW plan for traditional like for like replacements.

There are significant savings against the approved budget and future capital expenditure utilising the grant funding, as well as the CO₂ savings that will arise through the delivery of the low carbon solutions.

Further detail is set out in Table 2 below.

Table 2: Capital Expenditure and Grant Funding per project

Site	Proposed Expenditure	Grant Funding being applied for	Balance of Funding Required	Current Budget (Capital Plan)
Gilmour Section House	£1,830,409	£1,225,494	£604,915	£605,000
Brixton PS	£1,325,884	£590,820	£735,064	£740,000
Total	£3,156,293	£1,816,314	£1,339,979	£1,345,000

Note: costs include 20% contingency due to works not being tendered yet, 3% staff costs, 10% consultant fees

Revenue Savings

As set out Table 3 below, the proposed works will deliver a reduction in revenue running costs estimated to be c. £600 This benefit will improve incrementally as the cost of fossil fuel energy increases over time.

Table 3: Energy Utility Costs and Savings

Site	A) Energy Utility Costs (Current)	B) Energy Utility Costs (BAU Upgrade)	C) Energy Utility Costs (Low Carbon Upgrade)	Net Energy Savings (A-C)
Gilmour Section House	£92,983	£90,686	£89,122	£3,861
Brixton PS	£19,354	£15,459	£22,596	-£3,242
Total	£112,337	£106,145	£111,718	£619

(note: in general the running costs of ASHP are higher than existing gas boiler systems, however there are savings for Gilmour which are positive due to the additional planned works to the insulation of the site that aren't currently possible at Brixton)

7. Management Case

Introduction

The delivery of the decarbonisation projects will be aligned to MPS governance (PSD Project Lifecycle) and will comply with the grant conditions for each project as detailed below;

Gilmour Section House	Brixton PS
Works must be complete by the end of 2022/23 financial year	Works must be complete by the end of 2022/23 financial year
Energy and Carbon monitoring plan – detailed specification of monitoring plan to confirm appropriate monitoring of savings	Energy and Carbon monitoring plan – detailed specification of monitoring plan to confirm appropriate monitoring of savings
Monthly reporting - Updated project risk register	Monthly reporting - Updated project risk register
Monthly - Confirmation of payment schedule detailing amounts and dates funds will be required	Monthly - Confirmation of payment schedule detailing amounts and dates funds will be required

Stakeholder Management & Governance

The stakeholders are set out in the table below.

Table 4: Key stakeholders

Directorate / Dept.	Name
Front Line Policing	Senior Building Leader (individual to each site)
Procurement	Gerard Lynch
Grant and Income Team	Main mailbox allocates to team reviewer
Property	Guy Digby
Finance Business Partnering	Victoria Thompson
Environment and Sustainability	Neil Grange
Safety & Health Risk Management	Karen Fahy

Risks

Each project has its own individual risk matrix however the key risks are highlighted below in Table 5.

Table 5: Key risks

Risk	Cause	Mitigation
Inadequate power supply to site to support electrical consumption required for ASHP	Capacity reduced to suit existing demand and reallocated by UKPN	Surveys and engagement with DNO to explore options and viability
Delivery of projects prior to the winter months and within the time constraints set out in the grant conditions	Met governance and assurance timeline	Requesting out of board approval to enable projects to meet the delivery timescales and complete the projects by end of FY

Environmental Implications

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.

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). Therefore there is a very significant carbon saving of 176.0 tonnes of CO₂ per annum across the 2 sites.

Health & Safety Impact Assessment,

All relevant health and safety legal requirements such as the Workplace, Health and Safety Regulations and appropriate MOPAC and MPS standards are met through the delivery of the FW Programme. Input has been sought throughout the design stage. These projects are not notifiable to the Health and Safety Executive (HSE). Individual Project Risk registers are managed and maintained within the Property team.

Inclusion, Diversity & Equality

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.

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.

8. Appendices

Appendix 1

Document edit history

Version	Date	Additions / Modifications	Prepared / Revised by
0.1		Initial draft	Mike Blows
0.2		Draft	Mike Blows
0.3		Draft	Mike Blows
0.4	27/09/21	Review	Sarah Thorne
0.5	27/09/21	Review	Simon Marsh
0.6	28/09/21	Updated draft	Mike Blows
0.7	29/09/21	Draft review prior to updated figures from Matt Fullford	Sarah Thorne
0.8	30/09/21	Final Draft review	Guy Digby
0.9	30/09/21	SRO Review, IP's updated amends post-review, Environmental Teams' update amends post-review.	Vince Fihosy, Mike Blows, Guy Digby

Appendix 2

Internal consultation and assurance

Directorate / Dept.	Name
Strategic Secretariat	Natoya Battick
Finance Business Partner	Victoria Thompson
Commercial Services	Colin Attree
Property Services	Guy Digby, Mike Blows, Simon Marsh
Management	Sarah Thorne
Environment and sustainability	Neil Grange, Darren Hewerdine
Engagement	Lisa McDonagh

Annex 1

PSDS Grant Application and Low Skills Fund Paper [PCD897]