

## PART 2 – CONFIDENTIAL FACTS AND ADVICE

**MD2651**

**Title:** Mayor of London's Energy Efficiency Fund: pre-investment development finance revision

*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 suitable for publication until the stated date because:**

An application for pre-investment development finance of £175,000 was submitted by REFood UK Limited ("REFood") to Amber Infrastructure Limited ("Amber"). Amber, in turn, submitted it to the GLA for approval as further set out in the Annex to this Part 2.

MD2608 approved the transfer of an agreed amount of funding to Amber, who would in turn provide this to REFood. This new MD advises that the GLA will now provide the loan finance directly to REFood.

Commercial and contractual negotiations are required between GLA and REFood on the financing and repayment terms for the loan.

The amount of loan funding (currently £175,000) to be awarded to REFood may change, could be withdrawn and/or Amber could decide not to recommend to the GLA, that the loan is provided to REFood (if, for example, it becomes known that there is likely to be insufficient MEEF finance available to support the application post this pre-investment support). This Part 2 report contains information, the disclosure of which may prejudice the GLA's and REFood's interests if such information was published before this application process has concluded.

**Date** at which Part 2 will cease to be sensitive or when this information should be reviewed with a view to publication: 31/12/2020

To be reviewed once the relevant agreements between the parties have been negotiated, signed and agreed (and by the latest 31/12/2020).

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

In the event of any request for access to the information contained in this document under section 1 of the Freedom of Information Act 2000 ("the Act"), it is considered that access can be denied on the basis that the disclosure of such information would prejudice the GLA's, and REFood's commercial interests and therefore, is covered by the exemption under section 43 of the Act.

Section 1 of the Act creates the general right of access, which provides that any person making a request for information to a public authority is entitled:

- to be informed in writing by the public authority whether it holds information of the description specified in the request; and
- if that is the case, to have that information communicated to him/her.

Part II of the Act contains a number of exemptions from disclosure for certain classes of information. In particular, section 43 of the Act provides that information is exempt information if disclosure under the Act would, or would be likely to prejudice the commercial interests of any person (including the public authority

holding it). The paragraph above states that the information is considered commercially sensitive as its release could affect the GLA's ability to negotiate the funding with REFood.

The section 43 exemptions are qualified exemptions and their use is therefore, subject to a public interest assessment.

### **Public Interest Assessment**

At present, on balance, it is considered that the public interest is best served if the information is not disclosed at this point. Disclosure by the GLA would be likely to have a detrimental effect on:

- GLA, and REFood's commercial interests and the delivery of the proposed project; and
- GLA's delivery of a project which promotes economic development and wealth creation in Greater London.

The eligibility of these exemptions should be reassessed in the event of an FOI request for this information as the level of sensitivity will change over time and different circumstances may alter the arguments in favour of non-disclosure.

**Legal Adviser** - I make the above recommendations that this information is not suitable for publication at this time.

**Name:** Rachael Scott

**Date:** 3.8.20

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

### **Decision and/or advice:**

The annex lists the application received for which Mayoral approval to award funding is sought.

## **Annex**

### **Application for pre-investment development support:**

**Applicant:** REFood UK Limited

**Proposed finance request:** £175,000

**Summary of the proposal:** To build and operate London's first Bio Methane production facility which will be located in London's Sustainable Industries Park in the London Borough of Barking and Dagenham. The project will utilise the biogas stream produced from organic waste collected from the City of London and processed by the Anaerobic Digestion plant. The project will be for the specific use of the commercial fleets and public transport sector that service London and focused on the production of vehicle fuel from organic waste.

REFood have approached Amber for finance from the Mayor of London's Energy Efficiency Fund in relation to debt funding. This was in response to an open invitation on Amber's website for organisations to apply. REFood submitted an application for £175,000 development capital support for a feasibility study, planning and site drawings, measurement and verification study, environmental study, and front end engineering design study. Individual providers for these elements will be procured.

Should the development support lead to debt funding from MEEF, the investment will contribute to both ERDF objectives and outputs and Mayoral objectives including on air quality and renewable energy.

**Proposed repayment model:** The original specification for MEEF states that the funding should be awarded on a primarily recoverable basis. Amber initially proposed that 60% of the funding would be repaid if the proposal did not go ahead with a MEEF loan. If the project did go ahead with a MEEF loan, then the full amount of the development capital funding would be added to the MEEF loan to REFood. In the event that the project did not go ahead Amber would require REFood to repay £105,000 of the funding, being 60% of the total funding.

This proposed repayment model is not yet accepted by GLA, which will seek to maximise its returns, pending discussion and agreement internally and with Amber and REFood should this Mayoral Decision be approved.