



# MOPAC

MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME

## Net Zero Carbon (NZC) Public Sector Decarbonisation Scheme (PSDS) Funded Projects BJP

MOPAC Investment Advisory & Monitoring meeting 02 November 2023

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 – SENSITIVE (COMMERCIAL)**

### *EXECUTIVE SUMMARY*

This paper outlines the projects being submitted for grant funding under the next round of the **Public Sector Decarbonisation Scheme (PSDS)** Grant Funding application to decarbonise the MOPAC building stock, aligned with the **Net Zero Carbon (NZC)** Impact Assessment and the MPS NZC Strategy, agreed by Management Board in June 2022. This paper details the grant monies being applied for, and seeks approval for the MPS 'spend' required to be allocated from the existing capital plan.

### Recommendation

MOPAC is requested to approve the following:

- a) Delegated authority to be granted to the Director of Property Services to spend the MPS Forward Works (FW) budget, within the approved capital plan, up to £2.5M per site on 17 sites. The current estimated costs for these projects are c£22.8M
- b) Delegated authority to be granted to the Director of Property Services to spend the MPS Forward Works (FW) budget, within the approved capital plan, up to £5M for Marlowe House and £3.5M for Jubilee House, which are larger buildings with a greater complexity. The current estimated costs for these projects are c£8M .
- c) Delegated authority to the Director of Commercial Services for the procurement and award of both Consultant and Contractor contracts to undertake the design and construction of the PSDS Funded projects. All appointments will use the relevant MOPAC framework.

### Time sensitivity

A decision is required from the Deputy Mayor by 16/11/2023, the standard advised earliest available date post-IAM

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

### Introduction and background

1. This Business Justification concerns the 19 projects MPS are preparing for submission to the next Public Sector Decarbonisation Scheme (PSDS) funding round 3c, to enable delivery of the NZC works which will decarbonise the buildings and contribute towards achieving a further 14% reduction in the MPS Estates carbon emissions (c.2,000 carbon tonnes).
2. In February 2022 (PCD 1113) the Deputy Mayor approved a long term delegation of authority to the MPS Director of Property Services and the MPS CFO to be able to apply for up to £5M per project of grant funding through the PSDS process and (if grants are forthcoming) to spend that grant funding. PSDS grant funding covers the increased costs to install full net zero carbon solutions, over and above the costs for a normal gas to gas boiler replacement.
3. Approval is still required for the expenditure of MPS budgeted forward works funding for such projects, where the net MPS spend (excluding grant funding) exceeds existing delegated authorities (currently £0.5M).
4. This paper sets out the projects, our approach, and requests approval to spend the MPS approved capital funding, within existing MPS budgets, along with the grant funding, to deliver the projects aligned to the MPS NZC Strategy.

### **Issues for consideration**

5. The PSDS application window for round 3c opens in November 2023. The details of the grant conditions will not be confirmed until that date but, based on previous application rounds, a condition of the application is that the applying body already has confirmed approval to fund the MPS portion of the costs required to deliver the projects. The like for like replacement costs and energy efficiencies measures are all funded out of the Forward Works (FW) budget as part of the approved Capital Plan.
6. Very little notice is given prior to the grant application going live; therefore the preparation work has been completed to compile the information (cost, feasibility designs and programme) for the 19 projects, which was funded via the successful application to the Low Carbon Skills Fund (LCSF) in July 2022.
7. Funding is limited and provided on a first come first served basis - the amount of funding is not known. The application process requires significant work in order to meet the required level of detail to be awarded grant funding. Specific NZC resource has been stood up to deliver PSDS round 3b sites and to prepare the documentation for the 3c application, along with completion of the comprehensive submissions required for the application. The cost of the supporting resource is funded via the grant money.
8. The full stage 3c grant funding window is two financial years (in previous years only 20% of the funding was available to projects spanning two financial years. Projects have been prioritised to ensure deliverability within the funding window. Those with long programme durations (due to size or complexity) or risk around planning approvals will require design development to Stage 4 prior to the start of the financial year.

### **Contributes to the MOPAC Police & Crime Plan 2022-25<sup>1</sup>**

9. The Mayor wants London both to be a safer city and for Londoners to feel safer.

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

To deliver this vision the Police and Crime Plan sets out some key areas for action which include: Reducing and preventing violence; Increasing trust and confidence; Better supporting victims.

10. The improvements to the buildings delivered within the phase 3c projects will provide a working environment for MPS staff conducive to the Mayoral NZC targets which will help create a safer city for Londoners.

#### Financial, Commercial and Procurement Comments

11. Mayor of London has introduced a new policy to make London Net Zero Carbon by 2030 (from the legal requirement of 2050). As a result, all carbon related lifecycle works (such as boiler and window replacements, fabric improvement etc.) would ideally need to accelerate from a 28 year plan to delivery within the next seven years.
12. Work is ongoing to understand the financial implications against assumed budgets and impact on operational delivery. Initial desktop analysis has shown that there is an estimated c£200M - c£260M required to decarbonise of the estate by 2030, with an estimated c£100M to £160M required on top of existing budgets. These budgets are for the replacement of life expired components that relate to carbon emissions or improving carbon efficiency (e.g. replacement windows, gas to gas boilers, lighting etc.) from within part of the Forward Works budget. There is no additional funding available within the MPS and therefore other streams of funding need to be identified.
13. The Public Sector Decarbonisation Scheme (PSDS) provides grants for public sector bodies to fund heat decarbonisation and energy efficiency measures – this is to provide **top-up funding over and above existing expenditure only** to pay for more expensive non-fossil fuel technology.
14. Reflecting the importance of the public sector's role in meeting the government's commitment to net zero by 2050, the Net Zero Strategy and Heat and Buildings Strategy confirmed that the next phases of the Public Sector Decarbonisation Scheme (PSDS) has budgeted in the last Spending Review that the public sector will receive £1.425 billion of funding over the period 2022/2023 to 2025/2026.
15. MPS has been successful in securing PSDS grant funding for Round 2; 3a and 3b, the latter being the largest grant award within the GLA. In addition to this MPS has been awarded Low Carbon Skills Fund (LCSF) funding to develop the organisations Heat Decarbonisation Plan (HDP).

Government grants achieved to date are shown in the table below:

	Achieved
<b>PSDS: Phase II</b>	
Gipsy Hill Police Station	£280,375
Keston Dog Kennels	£276,530
Walworth Police Station	£324,869
<b>Total</b>	<b>£881,774</b>
<b>PSDS: Phase III a</b>	
Brixton Police Station	£663,300
Gilmour Section House	£1,152,787
<b>Total</b>	<b>£1,816,087</b>

<b>Low Carbon Skills Fund: Phase II</b>	
Energy Surveys	<b>£39,156</b>
<b>Low Carbon Skills Fund: Phase III</b>	
Heat Decarbonisation Plan	<b>£758,348</b>
<b>PSDS: Phase III b</b>	
14 sites	<b>£9,483,959</b>

16. The next PSDS application window (3c) opens in November 2023 (£0.47bn). This paper outlines the projects, approach and work required by MPS to target up to c. £16M of the available grant funding in this application window and it seeks approval for those projects where by the MPS spend exceeds current levels of delegated authority.
17. To date MPS has been awarded £12.4M of PSDS grant funding. To continue the success of grant funding awards, MPS now has the opportunity to bid for funding from PSDS Phase 3c which opens in November 2023.
18. The high level Energy Surveys have identified the works required to be most cost effective, whilst providing the biggest reduction in carbon emissions and value for money. The feasibility studies have built on this information giving more detailed proposals for each site, on which the costs in this paper have been developed. The outcome of this work will be a site by site design, scope of works and carbon savings report which will be used to apply for the grant funding when the application window opens. This will enable the MPS to apply for grant funding to top up the current FW budget for the delivery of decarbonised schemes, rather than the like for like replacement of fossil fuel plant as reflected in the FW register.
19. The recommended option - Decarbonise the buildings with limited energy efficiency works - would deliver MPS and Mayoral targets for the in-scope buildings, using grant funding to contribute to the costs above that of a 'gas for gas' replacement.
20. The cost estimate at this early stage of design, for the works funded via the approved FW budget is c.£31M. This will enable MPS/MOPAC to leverage additional funding of up to c.£16M of central Government grants, to enable the additional works required to fully decarbonise the buildings. The proposal is, therefore, fully affordable within existing budget approvals.
21. The range of costs for each project will be the subject to a procurement exercise covering the works and plant equipment to be installed (including heating systems, windows, LEDs, PVs (solar panels) and improvements to the fabric of the building where relevant), and award of contracts, if this business case and its recommendations are approved. The commercial agreements required to deliver these projects will be procured and awarded in full compliance with the Public Contracts Regulations (PCR) 2015 and MOPAC Scheme of Delegation. The Decisions recommended for approval by MOPAC are supported by Commercial

Services, and it is confirmed that the award of contracts as set out in Recommendation 2 will be through MOPAC approved MPS Frameworks following compliant call-off procedures and in accordance with PCR 2015.

22. These frameworks are:

- MPS Building Works Framework – 2022- 2026 (construction works up to £10M);
- and MPS Professional Services Framework 2022- 2026 (design services for all project values)

23. **London Anchor Institutions' Charter**<sup>2</sup>. As part of their appointment onto the MPS frameworks, the delivery partners the MPS will use to deliver these projects have committed to take specific actions to address the above issues. As part of the framework management approach, the linkage between individual appointments and actions taken and the effectiveness of those actions in delivering the above commitments will be reviewed and assessed. The contracts will encourage the use of London supply chain specific initiatives including: apprenticeship levies; adherence to modern slavery and London Living Wage obligations; social value impact opportunities.

### Legal Comments

24. The Mayor's Office for Policing and Crime ("MOPAC") 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 £213,477 or above shall be procured in accordance with the Regulations. All awards of Public contracts for works valued at £5,336,937 or above shall be procured in accordance with the Regulations. This Report confirms the requested services and works shall be procured compliantly. Recommendation 2 can be lawfully approved on the basis that contracts will be awarded through valid framework agreements which are a compliant route to market.

25. 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). 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.

### Equality Comments

26. As this paper is related to the financial requirements of the NZC PSDS projects, there are considered to be no negative Equality or Diversity implications arising

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<sup>2</sup> <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/anchor-institutions-charter>

from this process negating the requirement to present any mitigation at this stage. 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 Inclusion, Diversity and Equality, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability.

### **Privacy Comments**

27. 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.
28. 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.
29. There are no privacy issues identified through the Data Protection Impact Assessment (DPIA) completed for this work. The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.
30. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
31. Under the requirements of the Surveillance Commissioners Code for CCTV, Data Protection Impact Assessments (DPIA) will be required for any adaptations/amendments undertaken on the MPS estate CCTV system. These assessments are well understood and are part of the contractual delivery of any CCTV works.

### **Real Estate Implications**

32. This a property services directorate owned business case. There are real estate implications outlined throughout the report.
33. Licence to alter - MPS will seek advice from our retained planning consultants for each individual project with regards to Landlord's consent for the proposed works once the designs have been developed.

### **Background/supporting papers**

34. None

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**Part 2 – This section refers to the details of the Part 2 Decision Paper which is NOT SUITABLE for MOPAC Publication.**

The Government Security Classification marking for Part 2 is:  
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of NZC PSDS Funded Projects BJP is exempt from publication for the following reasons:

Part 2 is exempt from publication under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).

The paper will cease to be exempt until November 2026.