GREATER**LONDON**AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3536

RE:FIT 5 Framework – charging, receiving and spending annual service-provider fees

Programme: Reducing Non-Residential Emissions

Executive summary:

RE:FIT 5 is the Mayor of London's flagship procurement framework for helping public-sector organisations upgrade their buildings; reduce carbon emissions; and lower their energy costs. The framework consists of six pre-qualified service providers who can be procured to deliver energy efficiency; renewable energy; and low-carbon infrastructure projects.

This decision seeks approval for the Greater London Authority to:

- levy annual fees from the framework service providers
- authorise the receipt of these fees as income
- spend the fees to support the ongoing operation, management and administration of the RE:FIT 5 framework.

Decision:

That the Mayor:

- approves charging an annual fee of up to £13,000 per service provider (totalling up to £78,000 per year) between 2026-27 and 2029-30; this is in accordance with the provisions of the RE:FIT 5 framework procurement specification
- authorises receipt of the above as income to support the operation and administration of the RE:FIT 5 framework
- approves expenditure of the above, to support the ongoing operation, management and administration of the RE:FIT 5 framework; this includes procuring specialist legal advice and other costs reasonably incurred in managing the framework
- delegates authority to the Assistant Director, Environment and Energy, to approve allocations for specific framework management activities (within the above-mentioned £78,000 between 2026-27 and 2029-30).

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature: 

Date: 19/10/25

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

1.1. The Mayor's delivery plan for Reducing Non-Residential Emissions (RNRE) was approved by Mayoral Decision (MD) 3397. It sets out how the GLA will:

- work to drive down emissions from London's buildings
- support a flexible, low-carbon energy system
- enable the financing of the transition to net-zero
- reduce waste
- connect Londoners with the Mayor's net-zero ambition.

1.2. Public buildings account for nearly 30 per cent of energy consumption in London's services sector. Improving the energy performance of these buildings is therefore critical to:

- achieving the Mayor's net-zero ambitions
- reducing energy expenditure
- supporting public services
- improving outcomes for Londoners.

1.3. The RNRE delivery plan identifies the development of a strong pipeline of investable retrofit and decarbonisation projects on the public estate as a key priority. With the Zero Carbon Accelerator (ZCA) providing technical support and the RE:FIT 5 framework (RE:FIT 5) offering a route to procurement, the GLA is supporting public sector organisations to develop and deliver energy-efficiency projects, with the aim of:

- reducing emissions and tackle climate change
- ensuring the transition to net-zero is fair
- protecting the most disadvantaged Londoners, particularly by addressing fuel poverty.

1.4. The procurement of RE:FIT 5 was approved by the Mayor (through MD3133). A budget allocation of up to £400,000 was approved by the Executive Director, Good Growth (through Director Decision (DD) 2690), for the procurement spend. RE:FIT 5 was launched in May 2026.

1.5. The appointed service providers to RE:FIT 5 are:

- Ameresco Limited
- Asset Plus Energy Performance Limited
- Dalkia Energy Services Limited
- Honeywell Control Systems Limited
- TESGL trading as SSE Energy Solutions Limited
- Vital Energi Utilities Limited.

1.6. The RE:FIT 5 specification states that, initially, the GLA will not charge service providers a fee through the framework agreement. However, it also states that the GLA reserves the right to introduce such a charge, subject to the following conditions:

- the charge may be introduced after six months, following written notification to service providers
- the annual fee, payable by each service provider, will be up to £13,000 (totalling up to £78,000 per year, across all service providers); this is in accordance with the provisions of the RE:FIT 5 procurement specification
- the charge would apply annually, for each year of the framework's duration.

1.7 The proposed fee has been calculated on a pure cost recovery basis, without mark-up or margin, by reference to estimates derived from Local Partnerships historic costs of paying lawyers for dealing with mergers and takeovers that occurred during RE:FIT 4. The fees levied should not, therefore. exceed the GLA's costs of operating and administering the framework agreement.

2. Objectives and expected outcomes

2.1. While there is no cost to the GLA in relation to works being undertaken through the framework, there is a resourcing requirement to oversee the ongoing operation and management of the framework itself.

2.2. The RE:FIT 5 procurement specification provides a contractual basis for introducing the fee levied from service providers. However, a decision is required to enable the GLA to:

- levy the charge
- receive it as income
- use it to fund framework management activities.

2.3. Approving this decision will allow the GLA to generate funding to cover the delivery costs of the framework, including the legal and commercial oversight necessary to ensure the effective operation of the framework. This includes:

- managing any changes in service-provider ownership, and associated parent company guarantees
- addressing acquisitions, mergers or other corporate changes involving framework service providers
- ensuring that market competition is maintained; and the framework continues to deliver decarbonisation and energy-efficiency projects that provide value for money and high-quality services for framework users.

2.4. This MD will formalise the GLA's authority to introduce an annual service-provider fee, in accordance with the provisions set out in the RE:FIT 5 framework specification. This includes the six-month notice requirement, and the agreed fee cap. It also supports the implementation of the annual-fee arrangement for all RE:FIT 5 service providers appointed to the framework.

2.5. This MD also confirms that the purpose of the annual service-provider fee (up to £13,000 per service provider, totalling up to £78,000 per year, between 2026-27 and 2029-30), charged in accordance with the provisions of the RE:FIT 5 framework procurement specification, is to recover the costs associated with the management and administration of the framework. These costs include, but are not limited to, procuring external advice and support required to manage:

- changes in service provider ownership

- acquisitions
- mergers
- other corporate transactions that may affect the operation, governance or competitiveness of the framework.

2.6. These types of services must be procured externally, because, contract management services do not fall within the remit of Transport for London (TfL) Legal's provision of shared services. Cost estimates have been obtained from Local Partnerships, which undertook this role under the RE:FIT 4 framework. It has been confirmed that the proposed total annual charge of up to £78,000 (between 2026-27 and 2029-30) is expected to be sufficient to meet these requirements, should they arise.

2.7. Receipt of service-provider fees will ensure that the costs associated with the ongoing management and administration of the RE:FIT 5 framework are met through service-provider contributions (rather than requiring GLA funding). In this way, the framework will remain financially sustainable; and able to support strategic development activities in key growth areas aligned with the Mayor's objectives (including as set out in the delivery plans for RNRE and Improving London's Housing Stock).

3. Equality comments

3.1. Under section 149 of the Equality Act 2010, as a public authority, the Mayor of London and the GLA must have 'due regard' of the need to:

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity, and foster good relations, between people who have a protected characteristic and those who do not.

This involves:

- having due regard to the need to remove or minimise any disadvantage suffered by those who share or are connected to a relevant protected characteristic
- taking steps to meet the different needs of such people
- encouraging them to participate in public life or in any other activity where their participation is disproportionately low.

3.2. This can involve treating people with a protected characteristic more favourably than those without one.

3.3. RE:FIT 5 is aligned with the policies and proposals in the London Environment Strategy, which has been informed by a full integrated impact assessment (including consideration of equalities). The Equality Impact Assessment Report for the London Environment Strategy noted that exposure to poor environmental conditions is much higher among Black, Asian and Minority Ethnic Londoners.

3.4. Climate impacts are felt unequally across London – with poorer, disadvantaged communities often living in conditions that magnify the impact of climate change. Climate impacts can also be felt disproportionately amongst people with protected characteristics; and there is a high level of intersection across impacts. For example, in the UK, Black, Asian and Minority Ethnic residents are four times more likely to live in areas vulnerable to heat risk, compared with White people.

3.5. RE:FIT 5, in partnership with the ZCA (as the delivery unit providing the support packages), will:

- reduce reliance on fossil fuels
- reduce fuel bills

- drive investment in cleaner technologies
- provide economic opportunities for London and Londoners.

These outcomes will benefit all Londoners, including those with protected characteristics.

4. Other considerations

4.1. The key risks associated with this decision are outlined in the table below:

Risk	Likelihood	Impact	RAG	Proposed mitigation
Impact on prices There is the risk that the service providers will pass the cost of the fees charged by the GLA on to the users of the framework	Low	Low	Amber	There are expected to be multiple users of the framework and value of contracts is expected to be in the multi-millions, therefore the impact of passing on any fee costs on would be very low. Service Providers were notified during the procurement that fees may be charged therefore this may have already been budgeted for by Service Providers.
Unutilised income The cost of activities that the fees are expected to be used for (i.e. operation, management and administration of the RE:FIT 5 framework) is lower than the total income – resulting in a surplus budget	Low	Low	Amber	Any redirection of surplus funding will be agreed with the budget holder and the correct governance processes will be followed.

4.2. RE:FIT 5 will contribute to the following policies and objectives of the London Environment Strategy:

- Objective 6.1 – reduce emissions of London's homes and workplaces while protecting the most vulnerable by tackling fuel poverty.
- Proposal 6.1.1a – contribute to helping Londoners improve the energy-efficiency of their homes, where appropriate, by providing technical assistance, support and funding.
- Policy 6.1.3 – improve the energy-efficiency of London's workplaces; and support the transition to low carbon heating and power.
- Policy 6.2.1 – deliver more decentralised energy in London.
- Proposal 6.2.1.a – help implement large-scale decentralised and low-carbon energy projects, including stimulating demand from the GLA Group.
- Proposal 6.2.1.b – increase the amount of solar generation in London, including through community energy projects and on GLA Group buildings.

General Data Protection Regulation (GDPR)

4.3. All records, particularly those relating to recipients of the RE:FIT 5 framework call off documents and tenders, will be held in line with the GLA's requirements under GDPR.

Conflicts of interest

4.4. None of the officers involved in the drafting or clearance of this decision form have any conflicts of interest.

5. Financial comments

5.1. Approval is sought to receive an annual fee of up to £13,000 per service provider (totalling £78,000 per year) from 2026-27 to 2029-30, in accordance with the provisions of the RE:FIT 5 framework procurement specification. This is to support the operation and administration of the framework. Approval is also sought to spend the annual fees to support the ongoing operation, management and administration of the framework.

5.2. The proposed spending is financed by the annual fee income and sits within the project 3.1 of the programme delivery plan: Driving a pipeline of viable and investible decarbonisation projects. The income and expenditure are not part of the GLA Mayoral budget for 2026-27, as the amounts were not known as the budget was finalised.

5.3. All appropriate budget adjustments will be made. All future budgets are subject to the annual budget-setting process, and any contracts that cover future years will need to have break clauses.

6. Legal comments

6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further, or that are facilitative of, or conducive or incidental to, the promotion of the improvement of the environment in Greater London. In formulating the proposals in respect of which a decision is sought, officers have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the UK
- consult with appropriate bodies.

6.2. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty – namely, the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; and advance equality of opportunity, and foster good relations, between persons between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

6.3. The GLA may, when exercising its general powers, charge third parties for discretionary services under section 93 of the Local Government Act 2003 – provided that the charges levied do not exceed the costs of provision.

6.4. Under Section 38 of the Greater London Authority Act 1999, the Mayor may delegate the exercise of the GLA's powers to the Assistant Director, Environment and Energy.

7. Planned delivery approach and next steps

7.1. Next steps are as follows:

Activity	Timeline
Give RE:FIT service providers six months' notice of the GLA's intention to levy the year-one service-provider fees	December 2026
Create a cost code to receive the fees	December 2026
Service providers make the annual fee payment for 2026-27	June 2027
Service providers make the annual fee payment for 2027-28	June 2028
Service providers make the annual fee payment for 2028-29	June 2029
Service providers make the annual fee payment for 2029-30	June 2030

Appendices and supporting papers:
None.

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 GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Strategic Programmes

Does this decision seek approval for activity falling within the remit of a programme delivery plan? YES

If YES, which programme does this fall within: Reducing Non-Residential Emissions

Part 1 – Deferral

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

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:	Drafting officer to confirm the following (✓)
Drafting officer: Olayinka Somoye has drafted this report in accordance with GLA procedures and confirms the following:	✓
Sponsoring Director: Phil Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.	✓
Mayoral Adviser: Mete Coban has been consulted about the proposal and agrees the recommendations.	✓
Advice: The Finance and Legal teams have commented on this proposal.	✓
Mayoral Delivery Board This decision was agreed by the Mayoral Delivery Board on 28 September 2026.	

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature Fay Hammond **Date** 29 September 2026

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature D. Bellamy **Date** 29 September 2026