

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2192

Title: Summative assessment for RE:FIT programme

Executive Summary:

The draft London Environment Strategy sets out the Mayor's ambition for London to be a zero carbon city by 2050. To deliver that ambition, the GLA needs to support effort to improve the energy efficiency of homes and public buildings. The RE:FIT programme, now in its third phase, helps public sector organisations to save energy and carbon by enabling retrofit projects through the provision of free advice and support and providing an OJEU-compliant framework of service providers who guarantee energy savings for the public sector organisation.

This current phase of the RE:FIT programme (2016-2019), already approved under MD 1531 for £4.1m and match-funded by the GLA and European Regional Development Fund (ERDF), will need to undergo a summative assessment as required under GLA's contract with ERDF.

This paper therefore seeks approval for the expenditure of up to £41,900 for a summative assessment, from RE:FIT's existing revenue budget.

Decision:

That the Assistant Director of Environment approves expenditure of up to £41,900 for procurement and award of a contract for the delivery of the RE:FIT Programme summative assessment, as required under GLA's ERDF funding contract.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Patrick Feehily

Position: Assistant Director of Environment

Signature:



Date:

23/01/2018

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The draft London Environment Strategy (LES) sets out the Mayor's ambition of making London zero carbon by 2050. The energy used for heating and powering our workplaces is responsible for over 40 per cent of London's emissions. Three quarters come from private businesses, with the remainder from public buildings. Currently, 37 per cent of non-residential buildings given an Energy Performance Certificate since 2009 have energy ratings of E, F or G. This means they are wasting energy and money. This year, over £3.1bn will be spent on heating and powering London's workplaces.
- 1.2. By 2050, emissions from workplaces will need to be reduced considerably to keep the financial impact on businesses and public organisations to a minimum, as well as help them capitalise on future opportunities that will come through the move to a low carbon economy.
- 1.3. RE:FIT London is the award-winning and internationally-recognised programme to help make London's non-domestic public buildings and assets more energy efficient. It reduces carbon and NOx emissions, as well as delivering large guaranteed energy (typically around 15 - 25 per cent) and cost savings for the public sector. The programme has been running since 2009. Its current phase (March 2016 to the end of 2019) is funded jointly and equally by the GLA and the European Regional Development Fund (ERDF), at a total cost of £4.2m.
- 1.4. By August 2019 the London RE:FIT programme aims to have:
 - reduced emissions by over 23,000 tCO₂e pa,
 - saved at least 68 GWh of energy and of energy; and
 - retrofitted over 400 buildings from a range of public sector bodies.
- 1.5. A condition of the ERDF funding is that the GLA undertakes a summative assessment of RE:FIT to understand the experience of implementing the ERDF project, the difference the project has made, whether it has provided value for money, and the lessons which can be learnt from the experience. Under the terms of the contract, if a summative assessment is not performed 10 per cent of the ERDF funding would need to be repaid.
- 1.6. This paper therefore seeks approval to proceed with the procurement and award of a contract for delivery of the summative assessment for this phase of RE:FIT, up to the value of £41,900 (which is the maximum allowed under our contract with ERDF).

2. Objectives and expected outcomes

- 2.1. The summative assessment will evaluate the RE:FIT programme to ensure it is being delivered appropriately and is delivering against its objectives and KPIs, as required under section 14.2 of GLA's funding agreement with ERDF (dated 20 May 2016). Section 14.2 stipulates:
 - (a) The Grant Recipient shall undertake a summative assessment of the Project.
 - (b) The summative assessment shall be undertaken according to the Secretary of State common framework and methodology which the GLA shall provide to the Grant Recipient.
 - (c) The summative assessment must be completed and supplied to the GLA at least three months before the final Grant Claim is submitted in accordance with clause 5.4.

- (d) For the avoidance of doubt, the GLA will not authorise a payment in respect of the final Grant Claim until a satisfactory summative assessment report produced in conformity with the Secretary of State's common framework and methodology has been received.
- (e) Subject to clause 5.1(c), the maximum amount of Grant payable to the Grant Recipient in respect of the summative assessment is as specified in the Project Specific Conditions and shall not exceed 1% of the Project Specific Eligible Expenditure or £100,000, whichever is lower.
- 2.2. In the case of RE:FIT, given that the Project Specific Eligible Expenditure is £4,191,816, the maximum we could spend on the summative assessment is £41,900.
- 2.3. In our tender specification for the summative assessment we will require for a small interim evaluation as part of the tender.
- 2.4. The specifications and objectives of this summative assessment will be driven by the guidance documents recently published by ERDF for their summative assessment and will be developed as part of the procurement process. The guidance can be found online on the www.gov.uk website.
- 2.5. We have already produced a 'Logic Model' for the evaluation of RE:FIT and have identified the outputs and outcomes that the summative assessment will evaluate These are:
- a significant number of public sector organisations have accessed the RE:FIT framework, measured by the number of public sector organisation having signed an Access Agreement;
 - a significant number of public sector buildings and non-building assets have been retrofitted with energy conservation measures and/or have implemented renewable energy source projects thanks to RE:FIT. The KPI is at least 400 public sector building retrofitted through RE:FIT;
 - significant capital investment has been leveraged through the RE:FIT framework in retrofitting London's public sector estate; significant annual energy savings has been generated thanks to RE:FIT, aiming for over £4m of cost saving for the public sector;
 - substantial reductions in kWh used and CO₂ emitted by London public sector buildings. KPIs are for RE:FIT to have saved the public sector in London at least 68MW of energy and 23,000 tonnes of CO₂ each year.

3. Equality comments

- 3.1. No equality duties apply to this ADD directly but will be covered under the procurement process for the evaluation. In the procurement process, we will ensure that our equality duty is met. In particular that we:
- remove/minimise disadvantages suffered by persons who share a relevant protected characteristic (that are connected to that characteristic);
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low;

We will take into account these equality considerations when setting out the ITT for the procurement of this evaluation to ensure no bidder would be at a disadvantage due to any protected characteristic.

4. Other considerations

Risk	Likelihood (out of 5)	Impact (out of 5)	Rating	Mitigation
A lack of data and information could result in the evaluator not being able to analyse and evaluate the programme fully.	1	4	4	Mitigate. We are already collecting data under RE:FIT for our compliance with ERDF but also as a result of implementing recommendations from a previous RE:FIT evaluation. We will be undertaking an interim evaluation to ensure we collect all the data necessary in time for the final Summative Assessment in 2019. GLA officers and the RE:FIT Programme Delivery Unit will ensure the evaluator has full access to data and information about the RE:FIT programme.
The assessment presents RE:FIT in an unfair negative light	1	3	3	Treat. Building on previous RE:FIT evaluations (for GLA and EIB) while providing effective oversight of the contractor, we will ensure that all aspects of RE:FIT are represented correctly and proportionally.
No organisations bids for this work	1	3	3	Mitigate. Numerous consultancies know that all ERDF programmes in the UK will need a summative assessment and there is expected to be sufficient demand as a result. We can also use the GLA Economics Evaluation Framework which has 12 providers on it.

5. Financial comments

- 5.1 Approval is sought for expenditure of up to £41,900 for procurement and award of a contract for the delivery of the RE:FIT Programme summative assessment, as required under GLA's ERDF funding contract. This expenditure is expected to be approximately £14,000 in 2018-19 and £27,900 in 2019-20 and is to be funded from 2018-19 and 2019-20 Environment RE:FIT budget.

6. Planned delivery approach and next steps

Activity	Timeline
Issue tender	February 2018
Award contract	April 2018
Contractor starts assessment	Apr/May 2018
Interim evaluation	June/July 2018
Final assessment submitted to GLA	Jan-May 2019
Project Closure: Summative assessment submitted to ERDF	May 2019

Appendices and supporting papers:

- ERDF funding agreement for RE:FIT
- MD 1531

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? Yes

If YES, for what reason:

We would not want potential bidders to this evaluation to see the details contained in this ADD before we go out to tender.

Until what date: (a date is required if deferring) 28 February 2018

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act 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:

Drafting officer:

Sylvia Baron has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 22 January 2018.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature:



Date:

22-01-18