

REQUEST FOR DIRECTOR DECISION – DD2513

Title: Commercial building energy efficiency pilot programme

Executive Summary:

This pilot programme is designed to support businesses to reduce their energy bills, improve the skills of their building managers, lower their greenhouse gas (GHG) emissions and support delivery of the Mayor's net zero GHG target. The programme is aligned to the priorities of the Green New Deal Mission.

London's commercial and industrial buildings make up 36 per cent of London's carbon footprint, or around 11 million tonnes of greenhouse gases. Some businesses are showing great leadership in reducing their emissions, but most will need additional support to deliver the pace of change required, and this support is not currently available. An ambitious challenge, recognition and support programme, to galvanise emissions reductions in this sector, including retrofit activity, will drive job creation. This pilot will test key elements of a such a programme.

The pilot will work with a Business Improvement District (BID) to recruit 15-20 businesses (including SMEs) with the aim of delivering an overall reduction in energy consumption of at least 30 per cent over 3 years across the participating businesses. The businesses themselves will commit to an upfront 10 per cent target for the pilot year, which we will ask them to update with a more ambitious 2024 target, that is appropriate for their buildings based on the findings of an energy assessment carried out as part of the pilot (expected to be in excess of 30 per cent energy savings). Pilot participants will receive free support from technical experts and high profile recognition for those that meet or exceed their targets.

Decision:

That the Executive Director of Good Growth approves:

1. Expenditure of £100,000 in 2020-21 to fund a commercial energy efficiency pilot programme, comprising the following:
 - an £80,000 variation of Turner & Townsend Consulting Limited's existing contract relating to the Retrofit Accelerator – Workplace Programme. The new services comprise the provision technical energy efficiency support to businesses;
 - £10,000 of funding to the Business Improvement District, Better Bankside;
 - £10,000 budgetary allocation for the purposes of recognition and training; and
2. An exemption from the requirements of the Contracts and Funding Code in relation to the direct procurement of the additional services to be provided under the variation set out in decision 1.1 above.

AUTHORISING DIRECTOR

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: Philip Graham

Position: Executive Director, Good Growth

Signature:



Date:

21 December 2020

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

Context

- 1.1. Greenhouse gas (GHG) emissions from commercial buildings in London make up 36 per cent of London's carbon footprint. Although the Mayor has an ambition to deliver a net zero emissions London by 2030, he has no power to require that these existing commercial buildings improve their energy efficiency and reduce their GHG emissions.
- 1.2. National energy efficiency regulations on existing buildings are currently very weak, do not cover all building tenures and are not enforced. The recent raft of energy efficiency grants from the government do not provide funding for improving the energy efficiency of commercial buildings. The Climate Change Committee have emphasised the importance of tackling emissions from the sector and that public sector organisations should take the lead.
- 1.3. In addition, there are many organisational barriers stopping businesses from taking action. One of the most difficult to resolve is that there are many different parties involved, whose interests need to be aligned for energy efficiency action to be taken. These different parties include building managers, management companies, landlords and tenants. The lack of time, capacity and finance within businesses is also a factor, particularly in SMEs.
- 1.4. The lack of mechanisms by which commercial buildings are compelled or supported to reduce emissions therefore represents a significant barrier to meeting the Mayor's zero carbon commitment.
- 1.5. 2020 has been an extremely tough year for London's businesses due to the COVID-19 pandemic. With the effects of the pandemic expected to continue for many years, the Mayor has worked with London leadership to establish nine Recovery Missions to restore confidence in the city, minimise the impact on vulnerable communities and rebuild the city's economy and society.
- 1.6. The Green New Deal Mission has set the goal of doubling the size of London's green economy by 2030 to tackle the climate and ecological emergencies and air pollution whilst creating job opportunities for all. The Mission, co-designed with London Councils, has identified three themes, one of which is decarbonising the built environment.
- 1.7. One of the key project areas identified is retrofitting buildings and the Mission is supporting activity to scale up activity in the sector. The Mayor's 1.5C compatible climate action plan estimates that £10 billion of investment is needed in energy efficiency measures in London's buildings alone to support net zero. Using C40's toolkit for assessing the benefits of retrofit, we estimate that delivering that value of retrofit could support 128,000 job (direct, indirect and induced).
- 1.8. Despite the lack of regulation and incentives to drive commercial energy efficiency, and the backdrop of the pandemic, there is increasing ambition within the commercial sector on GHG emission mitigation. There is a role for the Mayor in galvanising that ambition into action, by challenging businesses to reduce their emissions, supporting them to do so and recognising those that succeed.
- 1.9. In November 2020, against the backdrop of the pandemic, the GLA surveyed over 100 London businesses on their attitudes to energy efficiency and the kind of support businesses need in cutting their building emissions. 65 per cent of respondents said they would be interested in taking part in a Mayor of London energy efficiency challenge and recognition programme. 60 per cent of those business that registered interest were SMEs. 36 per cent of respondents saw energy efficiency as more of a priority since the start of the pandemic, with only 17 per cent saying it was less of a priority. So, despite the pandemic, or rather because of the pandemic, and with the UK holding the chair of COP 26 next year, it would appear that many businesses believe that now is a good time to be tackling their energy consumption.

- 1.10. The GLA ran a two-year Business Energy Challenge under the previous Mayor. It recruited 50 businesses in the first year and 100 businesses in the second year to make emissions reductions commitments. Whilst that programme was a challenge and recognition programme, it did not have a support element, and there was criticism that it simply celebrated businesses for actions they were already taking, and that it did not drive additional action by recruiting and supporting businesses that were not already taking action.
- 1.11. In 2018 the Mayor launched his London Business Climate Leaders programme, which involved eleven businesses committing to go further and faster in their environmental ambitions in London and showing leadership to other businesses in the city. Whilst the Leaders continue to individually take strong steps on climate mitigation, the programme was set up with the intention that they would use their joint influence to encourage other London businesses to take their lead. There remains an opportunity for these businesses to directly use their expertise on tackling climate change in educating and mentoring smaller businesses across the capital.
- 1.12. The Mayor already provides extensive support to decarbonising public sector buildings through his successful and long-running Retrofit Accelerator – Workplaces (RA-W) programme (previously RE:FIT). This programme provides support to those running public sector buildings so that they can improve their energy efficiency and undertake retrofit measures. This support programme is not currently available to the commercial sector and there are many elements of this scheme that are unsuitable for the commercial sector, as demonstrated by a previous trial of this scheme in the commercial sector in 2013. For example, the procurement framework is an important part of the RA-W programme, but this has been shown to be unsuitable for commercial businesses.

The opportunity:

- 1.13. In line with the Green New Deal Mission and the Mayor's 1.5C plan, an ambitious multi-year challenge, recognition and support programme for businesses driven at a local level, will help galvanise businesses to make a commitment that their buildings will be part of the climate solution not the problem, and will support them in their efforts to do so. Such a programme would work with local partners such as Business Improvement Districts that can support these efforts to drive ambition and provide support in the manner best suited to the locality and its businesses, as well as supporting the development of a supportive peer network. The recognition element of the programme would help drive competition between businesses and a race to the top.
- 1.14. There are examples of where similar programmes have worked well in other cities, for example New York's Carbon Reduction Challenge¹. This challenge has run continuously since 2008, when it started with hospitals and universities. After running successfully for many years, it was expanded in 2017 to commercial owners and tenants. Participants committed to pursue a 50 per cent reduction in GHG emissions over 10 years and the scheme includes an annual event with the Mayor and provides training resources. Their latest estimate is that altogether their participants had cut their annual emissions by over half a million tonnes of carbon and saved \$190m annually in lower energy costs.
- 1.15. In order to inform the design of a similar programme in London, it is proposed to pilot the key elements of a commercial building challenge, recognition and support programme with a small number of businesses first, so that learning can inform the design of a larger programme. The pilot has been designed in such a way that the elements being tested can be scaled up to a full programme. It will:
- test whether a BID can recruit businesses to the scheme and sustain ongoing participation and whether the BID should be a crucial partner for a bigger programme;
 - identify the type of support that helps catalyse action and should be the focus for a bigger programme;
 - provide evidence on the size of the energy consumption reduction target for the first and then subsequent years;

¹ <https://www1.nyc.gov/site/sustainability/our-programs/carbon-challenge.page>

- reveal the type of recognition that is most attractive to participants and that should be used for the scaled-up programme;
- develop case studies that can be used to recruit future businesses to a scaled-up programme; and
- assess whether through the training provided we can increase the knowledge and skills in building managers so that they operate their buildings more efficiently.

1.16. The proposed programme and pilot have been developed with the support of Bloomberg Associates, who has provided *pro bono* expert insight based on its experience of similar programmes globally. Whilst US cities have greater regulatory power over existing buildings than in London, not all of them use this power and some, e.g. Atlanta, have adopted successful commercial support and recognition schemes that do not rely on their power to mandate building retrofits or improvements in performance. Melbourne is another example of a city that has piloted and is further developing a support programme without being able to compel participation through regulation. These examples demonstrate that action is possible even where the Mayor has limited power to regulate existing buildings.

The proposed pilot

- 1.17. In the 2018 London Environment Strategy, the Mayor outlined in Proposal 6.1.3.b that he would *“investigate what further technical support can be provided to businesses, in particular SMEs, including how to create new business opportunities that will cut down the amount of energy and other resources used... This could include... working with boroughs and Business Improvement Districts to develop and deliver programmes to support SMEs...[and] supporting the commercial sector to reduce emissions and energy use by investigating which interventions would have the highest impact, including consideration of support programmes such as RE:FIT²...”*
- 1.18. This proposal directly ties in with this objective, designed to tackle the climate emergency, to work with BIDs and businesses in reducing energy consumption, and to consider elements of the RE:FIT programme that are applicable to the commercial sector.
- 1.19. This pilot will help deliver London’s Green New Deal Recovery Mission by helping businesses thrive whilst reducing their emissions and developing “green skills” in London’s building managers. Where the pilot is successful in causing businesses to invest energy efficiency retrofit measures, it will support the ambition to increase green jobs in the capital and double London’s green economy by 2030. This ambition will be supported further if this pilot is successful and a full-scale programme is launched with more businesses recruited to the scheme.
- 1.20. It also aligns closely with the ambitions of the Mayor’s Green New Deal (GND) Fund, and specifically the “2030 Future Neighbourhoods” element of that fund. 2030 Future Neighbourhoods will support exemplar projects that transform whole neighbourhoods in the capital into zero emission neighbourhoods and will involve “retrofitting homes, commercial and public buildings”. The results of this pilot will feed in to how that objective of the GND Fund can be realised in the commercial sector.
- 1.21. Running the pilot at a local area level together with a Business Improvement District will help support the High Streets for All Mission. It will ensure that the participating buildings are well managed and run, which in turn should encourage businesses and people to want to work in them. Evidence shows that well maintained buildings improve productivity and increase operational efficiency. It is also designed in this way to create a sense of community between participating businesses in neighbouring buildings.
- 1.22. The following table shows how the pilot will operate and the rationale for the different elements:

² RE:FIT has now been relaunched as Retrofit Accelerator – Workplaces (RA-W)

Element:	Challenge	Recognition	Support	
Detail:	<p>15-20 businesses commit at least 10 per cent reduction in building energy consumption over course of first year</p> <p>Following energy audits, businesses set their updated targets for 2024, with aspiration that these are set for at least a 30 per cent energy reduction.</p> <p>Focus on recruiting medium sized offices but open to other types of businesses</p>	<p>Explore at outset what would be most valuable to participating businesses. Could include GLA and BID showcasing in London Climate Action Week businesses involved in pilot and/or awards for participants that have hit reductions in energy performance</p>	<p>Individual support for up to 20 businesses:</p> <p>(i) Energy efficiency audit:</p> <ul style="list-style-type: none"> - Site survey and report with ID of top measures, potential emissions savings, costs and route to net zero <p>(ii) Bespoke support on light touch actions:</p> <ul style="list-style-type: none"> - Meeting to discuss audit (building manager/owner/occupier) - Building walk through with manager/BMS engineer/landlord to support them to undertake the light touch tune-ups identified <p>(iii) 3 follow up sessions with BID, technical consultants, GLA to troubleshoot issues, explore their specific barriers and needs and action taken to date</p>	<p>3 x group training sessions:</p> <p>Subjects tbc in collaboration with businesses after energy audits carried out, but could include</p> <ul style="list-style-type: none"> - Engaging occupiers - Energy performance contracting or procurement models to include in contracts and renewal negotiations - Moving to deeper retrofit
Rationale:	<p>Achievable target for first year then test appetite of businesses to set a higher target over 3 years, once they are better informed on the potential savings in their building.</p> <p>Target energy reduction over GHG emissions reduction because this requires energy efficiency action and not just</p>	<p>Cost savings to individual business may not be that high, so recognition provides strong co-benefit for participation.</p> <p>Recognition programmes have had long term success in many cities (e.g. NYC, Atlanta, LA)</p>	<p>This support will result in businesses having the information and knowledge to deliver a net zero emission building and the actions they should take in the short-, medium- and long-term.</p> <p>Close engagement with businesses throughout the pilot will provide valuable insights on type of support that unlocks action, and which should be the focus of a bigger programme. It will enable us to produce detailed case studies of energy and cost savings which</p>	<p>Bringing the businesses together will help build a local peer group in which they can learn from each other's experiences.</p> <p>It also provides an opportunity to provide training on areas of interest to all businesses. We will bring in expertise from</p>

Element:	Challenge	Recognition	Support	
	<p>switching to a renewable electricity provider.</p> <p>Focus on medium sized businesses as smaller ones have less capacity to engage and support is less additional to larger businesses.</p> <p>Offices strongly impacted by landlord/tenant split incentive, so important to see if the support provided can help overcome this challenge.</p>		can be used to recruit businesses in a scaled-up phase.	our London Business Climate Leaders and other experts.
How elements will be scaled up:	<p>Expand the type and location of businesses.</p> <p>More ambitious longer- term target informed by what businesses are willing to sign up to when they understand the potential savings they can achieve.</p>	High profile recognition and awards for different categories of participant	Free support is not envisaged to be available for a scaled-up scheme. However, aggregating this support across a number of businesses and/or providing a small subsidy, alongside the case studies from the pilot will illustrate the attractiveness of participation.	Focus training on elements found most useful in pilot. The pan-London scheme will continue to be run with local partners with training undertaken locally and targeted to local business needs.

2. Objectives and expected outcomes

2.1. The key objectives and outcomes are listed in the table below:

	Objective	Outcome
1	<p>Learning on the following key elements:</p> <ul style="list-style-type: none"> - Can a BID recruit business to this kind of programme and sustain ongoing participation? 	A detailed understanding of the type of support and recognition and scale of challenge that should form part of a scaled-up programme.

	<ul style="list-style-type: none"> - Does the technical support provided help businesses to reduce their energy consumption? - What barriers did the businesses come up against and were the organisations involved in the pilot able to help overcome these barriers? - What level of ambition are businesses willing to commit to, and does this increase when they are better informed on their options? - Which training sessions were most/least useful? - What type of recognition was most attractive to participants? 	
2	Achieve ongoing engagement with businesses for the entire pilot year so that case studies can be developed	Case studies which can be used to help recruit future businesses to a scaled-up programme. It is envisaged that a large-scale scheme would not be able to provide entirely free business support, and so case studies will be extremely valuable in demonstrating the rapid payback to businesses.
3	Increase knowledge and skills in participating building managers	Building managers continue to operate buildings efficiently after the programme ends and pass on their skills to colleagues and peers, including through the peer network established in the pilot.
4	Provide businesses with the information and support needed to deliver the target energy consumption reduction in their building	<p>15-20 businesses reduce their energy consumption by at least 10 per cent in the first year and make a commitment to reduce their emissions by at least 30 per cent over three years</p> <p>Mayor's ambition to deliver a net zero emission London in 2030 is supported</p>

How the pilot will be delivered

- 2.2. Due to the commitment in the London Environment Strategy to explore supporting the commercial sector to reduce emissions, when procuring consultants to provide technical assistance to the RA-W programme through an open OJEU process, the GLA also included in its specification that it may require a contract variation up to the value of £100k to pilot elements of the support with the commercial sector. The GLA appointed a technical consultant in April 2020, with a contract (GLA 81353) that includes a provision to use them to support for a commercial sector pilot. This contract variation will be made to enable the consultants to provide the technical support required for this pilot.
- 2.3. GLA officers have also had conversations with a number of BIDs over the last year on the subject of a pilot. Whilst several have expressed a general interest in this type of scheme, one BID, Better Bankside, has been particularly proactive in engaging with the GLA and has expressed an ambition to

be involved in this pilot. Southwark (where the Better Bankside BID is situated) also had the most respondents to our recent energy efficiency survey.

Exemption from the Contracts and Funding Code

- 2.4. The value of the original contract – GLA 81353 dated 24 April 2020 – between the GLA and Turner & Townsend Consulting Limited (“TTCL”) was £3 million. To date, the contract has not been varied. The value of the proposed variation is £80,000. The scope of the original contract encompassed the provision technical support in relation to energy reduction and energy efficiency measures in a range of non-domestic buildings including offices, hospitals and schools. The primary focus of the initial work was public sector bodies. However, the possibility of a pilot project targeting private sector workplaces was mentioned in the original tender documentation. In light of this, the new work the subject of the requested variation falls within in the scope of the original contract, as the services will be the same albeit that the target organisations will be in the private sector.
- 2.5. Section 10.1 of the Contracts and Funding Code allows for exemptions from the requirement to run a competitive procurement to the extent that the services provider has had previous involvement in a specific current project or the relevant services involve the continuation of existing work that cannot be separated from the new project. To that end, TTCL is already providing the services to the public sector in London and the proposed, new services comprise the testing of elements of the current service on a like-for-like basis in the private sector. Value for money will be secured by applying the existing rates for the public-sector-focused consulting work to the new private-sector-focused work.

Grant Funding to Better Bankside

- 2.6. Better Bankside is committed to helping businesses in its membership take action on their environmental impact. Their ambitions on reducing the energy consumption of commercial buildings closely align with the ambitions of the Mayor and GLA. The proposed grant of up to £10,000 will be used by them to support their engagement with businesses on these issues and support business training on this issue. All the benefits of the grant will go to third parties, namely 20 businesses in their membership that have energy inefficient buildings in Southwark.

Recognition and Training

- 2.7. The £10,000 budgetary allocation is requested for the recognition and training elements of the project. Recognition is likely to involve an award ceremony including costs for venue hire and catering. Furthermore, all required training will be provided by highly qualified professionals, who are experts in energy efficiency measures. All services required in support of recognition and training will be procured in accordance with the Contracts and Funding Code.
- 2.8. The Mayor’s London Business Climate Leaders will also be called upon to input into these training sessions to draw on their experience and ensure that others can learn from their good example. GLA officers will manage the pilot, support the design of the training sessions and undertake structured interviews with businesses to ensure the GLA learns the lessons of the pilot, e.g. what actions the businesses took or didn’t take and why, and what worked well or not so well for the programme as a whole. The GLA will also ensure all the material required for future case studies is captured within this pilot.

Expectations for delivery of scaled up programme

- 2.9. Although dependent on the success and learnings of the pilot the scaled-up programme is envisaged to require funding in the order of £1-2m over 2 years. This could be funded by the Mayor through the Green New Deal Fund as it aligns strongly with those objectives. However, we will also explore other external sources of funding to support the programme.

3. Equality comments

- 3.1. Under s149 of the Equality Act 2010 (the Equality Act), as a public authority the GLA must have due regard to the need to eliminate discrimination, harassment and victimisation, and any conduct that is prohibited by or under the Equality Act; and to advance equality of opportunity and foster good relations between people who share 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 a relevant protected characteristic that is connected to that characteristic, taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.
- 3.2. The relevant protected characteristics under section 149 of the Equality Act are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, and sexual orientation. Compliance with the duty may involve ensuring people with a protected characteristic are provided with all the opportunities that those without the characteristic would have.
- 3.3. The Mayor's Equality, Diversity and Inclusion Strategy sets out how he will work to create a fairer, more equal, integrated city where all people feel welcome and able to fulfil their potential. Equality, diversity and inclusion are subsequently enshrined within the GLA's strategies, programmes and activities.
- 3.4. The GLA will ensure that (as part of its on-going legal responsibility to have due regard to the need to promote equality, in everything it does, including its decision-making), barriers are removed that may prevent those with protected characteristics benefiting from the projects.
- 3.5. In the process of recruiting businesses to the pilot, we will ensure that due regard is taken of all these requirements.
- 3.6. This pilot is informed by the proposals included in the London Environment Strategy. The GLA Environment Unit commissioned an Integrated Impact Assessment (IIA) on the draft London Environment Strategy. This evaluated the social, economic, environmental, health, community safety and equality consequences of the strategy's proposed policies to ensure they are fully considered and addressed. A post-adoption statement showing how the IIA influenced the final strategy and Equality Impact Assessment (EqIA) report has been published: <https://www.london.gov.uk/what-we-do/environment/london-environment-strategy>.

4. Other considerations

- 4.1. The key risks and issues are set out in the table below.

Risk	Likelihood	Impact	Mitigation	RAG rating
Strict Covid-19 lockdown restrictions during period of building audits	Low	High	<ul style="list-style-type: none">Audits and follow up meetings are expected to take place in Feb – May, over which period COVID restrictions are likely to relax rather than tightenIf strict lockdown in place, consultants will be required to undertake the audits once the restrictions ease	

Risk	Likelihood	Impact	Mitigation	RAG rating
Unable to sign up 15-20 businesses	Medium	High	<ul style="list-style-type: none"> We will work in a location where we already have good engagement with a BID and where many businesses have already voiced a desire for the BID to support them in reducing their GHG emissions We are focusing on a location where there was most interest from the recent GLA survey Link payment to successful recruitment of business There are other routes to recruiting businesses which can be explored e.g. TfL or other major landlord commercial clients could be approached. 	
Lack of action from businesses	Medium	High	<ul style="list-style-type: none"> There is a good business case for taking these light touch energy efficiency actions, so we will need to ensure that this is communicated clearly BIDs will regularly check in with businesses to understand and help overcome (if possible) organisational barriers to action Ensure compelling training sessions are provided by working with organisations such as the Better Buildings Partnership and their members. Ensure commitment from the right people in the business (building managers, landlords, those who have responsibility for contracting out building management) when the business is recruited to the pilot 	
Training sessions do not meet the needs of the businesses	Low	Low	<ul style="list-style-type: none"> Engage participating businesses in the design of the training sessions to ensure they will be valuable Recruit external experts who may be willing to provide pro bono input to these training sessions 	

Links to Mayoral strategies and priorities

4.2. The pilot described in this DD will contribute towards:

- meeting the London Environment Strategy proposal around supporting businesses, in particular SMEs to reduce energy, working with Business Improvements Districts to deliver this support and supporting the commercial sector to reduce emissions by investigating interventions with high impact including support programmes such as RE:FIT (now RA-W) (Proposal 6.1.3.b);
- meeting the Mayor's priority to tackle the climate emergency and deliver a net zero emissions London by 2030;
- meeting the London Recovery Board high-level outcome to deliver a cleaner, greener London; and
- providing insights that can be used to inform delivery of elements of the 2030 Future Neighbourhoods part of the Mayor's £10m Green New Deal Fund.

Conflicts of interest

- 4.3. GLA officers are not aware that anyone involved in the drafting or clearance of this DD has any conflicts of interest with the proposed projects.
- 4.4. If any conflicts of interest arise during the procurement process, they will be required to declare that interest and not take any part in procurement process for that particular project.

5. Financial comments

- 5.1 Approval is being sought for the expenditure of up to £100,000 on piloting a commercial building energy efficiency challenge, recognition and support scheme. The breakdown of this expenditure is shown above in section 2 of this report. This will be funded by budget provision within the Environment Programme budget for 2020-21 (specifically Zero Carbon budget).
- 5.2 The indicative profile of expenditure is £60,000 in March 2021 with the remaining £40,000 to be spent in 2021-22 financial year. As a result, £40,000 will be reprofiled from the 20-21 budget to the 21-22 budget to fund the final costs expected in November 2021 and March 2022. The consultants have been procured through an open OJEU appointed in April 2020. They will be contracted through a variation to their existing contract to run a commercial sector pilot. Payment will be made in arrears.
- 5.3 There is no match funding from external sources, however there will be in-kind support made available from both the Business Improvement District and the Greater London Authority.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the director fall within the statutory powers of the Authority to promote and/or to do anything which is facilitative of or conducive or incidental to the improvement of the environment within Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
 - (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) 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 United Kingdom; and
 - (c) consult with appropriate bodies.
- 6.2 In taking the decisions requested of him, the director 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 to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 3 (above) of this report.
- 6.3 The procurement of the technical energy efficiency support services to be provided by Turner & Townsend Consulting Limited ("TTCL") is valued at £80,000. As set out in paragraph 2.4 above, the original contract between TTCL and the Authority dated 24 April 2020 was valued at £3m. Furthermore, that contract has not subsequently been varied. To that end, the requested variation falls below both the OJEU threshold for services and 10 percent of the original contract value. As the officers have explained, the new services do not alter the nature of the original contract. Accordingly, the variation may be viewed as falling within the ambit of regulation 72(1)(f) of the Public Contracts Regulations 2015.

- 6.4 Furthermore, section 9 of the Authority's Contracts and Funding Code (the "Code") requires that the Authority undertake a formal tender process or make a call off from an accessible framework for procurements with a value between £10,000 and £150,000. However, section 10 of the Code also provides that an exemption from this requirement may be justified on the basis of previous involvement in a specific current project or continuation of existing work that cannot be separated from the new project. The officers have set out at paragraph 2.5 above the reasons why the procurement of TTCL falls within the said exemption. Accordingly, the director may approve the exemption, if he be so minded.
- 6.5 The proposed grant of £10,000 to Better Bankside may be viewed as a conditional gift rather than a contract for services. To that end, the officers must ensure that they comply with section 12 of the Code. Moreover, the officers must ensure that a funding agreement be executed by both the Authority and Better Bankside before any of the funding by paid to the latter.
- 6.6 Finally, all recognition, training and other services required for the project must be procured in accordance with the Code.

7. Planned delivery approach and next steps

- 7.1. The delivery of this pilot will require working with a technical consultant and BID, as outlined in paragraph 2.4. An estimated timetable for the pilot is shown below.

Activity	Timeline
Sign change of contract terms with consultant and sign grant agreement for BID	January 2021
Delivery Start Date	January 2021
Recruit first 10 businesses	February 2021
Recruit all 20 businesses and begin audits	March 2021
Complete audits and begin long follow-up meetings	April 2021
Complete long follow-up meetings	May 2021
Focus group on training	June 2021
Individual follow up session 1. Recognition during London Climate Action Week	July 2021
Group training session 1	August 2021
Individual follow up session 2.	Oct
Group training session 2. Recognition at COP26 related events	Nov
Individual follow up session 3 Pilot analysis begins	Jan
Group training session 3	Feb
Energy reporting	
Delivery End Date	March 2022

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 either be published within one working day after it has been approved or on the defer date.

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 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:

Claire Jamieson has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Aram Wood has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 21 December 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date



21 December 2020