## MAYOR OF LONDONLONDON ASSEMBLY

# The Mayor's Business Climate Challenge

## **Prospectus for partners**

## **Key information**

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## 1. Introduction

The Mayor's Business Climate Challenge (BCC) is an ambitious new challenge programme that supports businesses to reduce energy consumption in their buildings, cut energy costs and lower their emissions.

The programme also supports business membership organisations to run climate action programmes, providing free technical support, open access resources and creating knowledge-sharing networks.

The 2022-23 Challenge will target small and medium sized (SME) businesses in London. This is an essential business grouping as collectively UK SME's account for an estimated 43-53 per cent of UK business greenhouse gas emissions. Reference: 1

The climate emergency is the biggest threat we face today. The Mayor of London has committed to make London net zero carbon by 2030. Commercial and industrial buildings account for nearly one third of the city's greenhouse gas emissions, meaning businesses have a pivotal role to play in reaching net zero.

To meet London's target, 26,500 non-domestic buildings will need to be retrofitted each year. London's Green New Deal Recovery Mission has building decarbonisation at its heart, and the Mayor is committed to supporting businesses to reduce their carbon emissions and transition to green and clean technologies. We know it makes economic sense to act now.

## 1.1 About this prospectus

This prospectus sets out the Mayor's ambitions for his 2022-23 Business Climate Challenge (BCC). He is looking for up to 10 partners to work with us to deliver this next phase of the BCC to London's businesses.

The Greater London Authority (GLA) wants to work with business membership organisations to embed the programme at local level and help tie it to wider neighbourhood plans to reach net zero. Business partners will receive funding of up to £30,000 to oversee the process in their locality and engage businesses from their membership and support them to operate their buildings more efficiently and reduce their energy costs.

Partners will be appointed through an open competitive process. This prospectus outlines eligibility criteria along with the application and selection process. Organisations interested in partnering with the GLA should submit an application form. They will be assessed on the criteria outlined in the application form.

## 2. The Mayor's Business Climate Challenge

The BCC is a voluntary energy efficiency programme which aims to help businesses play their part in tackling the climate emergency and accelerate the decarbonisation of London's built environment.

The programme is designed to support businesses to reduce their energy consumption and energy costs by providing free technical advice. It addresses one of the main barriers to retrofit reported by businesses: lack of technical knowledge about their workplaces' performance and the actions that could make them more efficient.

The BCC was piloted in 2021 and feedback from participants showed that the pilot's spatial focus and bespoke nature was highly valued. 60 per cent of participants reported an increase in their understanding of building energy use and energy conservation measures. The 2021 cohort has the potential to reduce 210 tonnes of CO2e annually and accrue total annual cost savings of £114,748. With the right strategic decision-making, most workplaces participating in the pilot could achieve net zero operational carbon in their buildings by 2030, and in some cases by 2025.

The Mayor's Business Climate Challenge uses a "Challenge, Support and Recognition" model (see figure 1 below).

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- Support businesses in taking action
- Energy audits and follow up with technical support team to identify top measures and build a long-term roadmap to net zero.
- Bespoke support on light touch actions, scoped in partnership with building management team.
- Ongoing coaching to troubleshoot issues and track progress.
- Cohort-wide trainings on relevant topics (engaging occupiers, EPC contracting, deep retrofits, etc.).

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Figure 2.1 -

Three pillars

## Transcript of Figure 1 - Challenge, support and recognition model

Programme design: three pillars

Pillar one: challenge businesses to lower energy use

- Businesses commit to a 10% reduction in building energy consumption within the first year.
- Use energy audits and net zero pathways to work with businesses to set 2024 targets (aspiration of at least 30% energy reduction).
- Recruit medium sized offices but open to other businesses. Require building manager and business engagement to be considered.

Pillar two: support businesses in taking action

- GLA funded energy efficiency audits to identify top measures and build a long-term roadmap to net zero.
- Bespoke support on light touch actions, scoped in partnership with building management team.
- Ongoing coaching to troubleshoot issues and track progress.
- Cohort-wide trainings on relevant topics (such as engaging occupiers, EPC contracting, deep retrofits)

Pillar three: recognise businesses who meet or exceed targets

- Social media recognition and shout outs.
- Listed on London.gov.uk webpages.
- Recognition ceremony with the Mayor of London.
- Showcasing during London Climate Action Week.
- Participation stamp or acknowledgement: 2022 Business Climate Challenge Building or Workplace.

## 2.1 The 2022-23 Business Climate Challenge: expanding support to more businesses

The 2022-2023 BCC will provide bespoke technical support for up to 250 London businesses as well as indirect support to a wider London business audience through open access resources and knowledge sharing networks.

The GLA is seeking to partner with 10 business membership organisations who will offer the BCC to their membership and actively engage them to encourage participation. Partners will be appointed through a competitive process.

The BCC will target non-domestic, privately rented and owned commercial spaces as the participants for its support. Medium-sized enterprises will be prioritised for the carbon savings they can deliver but smaller businesses will also be eligible.

The pilot focussed on office space but the 2022-23 programme can offer support to mixed use and non-office space as well, such as retail, hospitality and accommodation. The BCC aims to work with a wide range of businesses to support them in the transition to a low carbon economy.

The programme will provide participants with bespoke technical support from a built environment consultancy to reduce their workplaces' energy consumption and operate their equipment more efficiently, cutting both carbon emissions and energy costs. Indicatively, each participating business will receive:

- a benchmark using a recognised standard (for example, a Display Energy Certificate)
- a comprehensive site energy audit per participant workplace identifying potential for light-touch energy conservation measures through to deep retrofit measures
- a tailored recommendation report with proposed energy conservation measures to reduce their energy consumption and costs, along with a clear pathway to net zero
- a building walkthrough (approximately two hours) to accompany their recommendation report explaining recommended measures and answering participant questions
- follow up one-to-one support to address energy conservation implementation challenges/queries
- group training sessions.

## 2.2 Working with partners

Business membership organisations such as Business Improvement Districts, Climate Change Alliances, and Town Teams have a unique role and opportunity for supporting London's businesses to play their role in addressing the climate crisis.

These trusted partners can help the GLA to shape the support that is being offered, explain the benefits of the programme to their membership set their organisational ambitions for getting to net zero and link the programme to wider local goals.

The benefits for the membership organisations are that their members will have access to technical advice about and support for improving their building's performance and reducing their greenhouse gas emissions. Organisations can also use this as a spring board for setting their organisational ambitions for starting out on their journey for getting to net zero.

## 3. Roles

To deliver the 2022-23 BCC, the GLA will work with Business Engagement Partners and a built environment consulting firm. The GLA will be responsible for the overall programme management of the BCC.

Business Engagement Partners will manage recruitment, engagement and communications with participants, while the built environment firm will deliver the technical support to businesses. The GLA will be running a competitive process to appoint a built environment consulting firm to act as a Programme Delivery Unit for the 2022-23 BCC.

The different roles within the BCC (see Figure 2 below).

## Transcript of Figure 2 - Business Climate Challenge roles

#### Business Climate Challenge roles:

#### GLA BCC team

- Responsible for overall programme delivery.
- Connect business engagement partners with technical support provider.
- Works with partners to set the 22-23 workplan.
- Delivery of trainings and events.
- Development of communication materials.

#### Business engagement partners

- Recruit a cohort of approx 20-30 businesses each.
- Work with the GLA to support those businesses through the programme.
- Manage direct engagement and communication with participants.
- Work to offer support and resources to more businesses through events, networks and training.

#### Technical support provider

- Provides 1:1 expert support to businesses across all cohorts (up to 250).
- Works with the GLA and business engagement partners to design indirect support.
- Data collection and management.

## 4. Why get involved?

The BCC will support Business Engagement Partners to achieve meaningful energy and cost savings for their members, increase the value of their offer to members, provide knowledge sharing opportunities and pioneer building decarbonisation efforts.

This initiative is a first for London and allows your organisation to become a catalyst for change in your area and a leader in tackling the climate emergency.

## 4.1 Achieving energy and cost savings

The BCC offers businesses a double dividend of economic and environmental benefit. By partnering with the GLA to offer the BCC to your network you will be able to provide businesses with meaningful cost-savings.

The average participant on the 2021 pilot has the potential to reduce their energy consumption by 17 per cent while saving £6000 annually in energy expenditures.

Achieving these savings comes at a low cost to businesses since more than half of the participants can meet or exceed their target by implementing energy-efficiency measures with an average cost of £3,800.

## 4.2 Accessing expert bespoke support

The BCC will support the expansion of your sustainability initiatives and increase your offer to members.

The bespoke nature of the programme means there is a higher chance that participants can overcome barriers to action, as the programme makes feasible and actionable recommendations.

The programme will increase businesses capacity to act by upskilling building managers and staff through training sessions and one-to-one support.

## 4.3 Knowledge sharing opportunities

The BCC will also deliver cohort-wide activities with business engagement partners to maximise peer-to-peer learning opportunities and motivate action.

Pilot participants highlighted sharing best practice and challenges with other businesses as one of the BCC's main benefits.

Selected partners will have a key role in sharing learning amongst their cohort and business membership.

Crucially, this learning will be shared London-wide through case studies and success stories recognising businesses' efforts.

## 4.4 Pioneering building decarbonisation efforts in London

The BCC aims to become a widely-used model for built environment decarbonisation. This is a key opportunity for business membership organisations to lead retrofit efforts in London by contributing to the development and design of the programme.

The GLA will work with selected partners to support the adoption of the BCC within their organisations and upskill engagement officers on climate action and programme delivery.

#### 4.5 The Offer

The BCC Programme has approximately £150,000 available to fund Business Engagement Partners. These funds will be disbursed between up to 10 partners.

The amount allocated will depend on the organisations' ability to demonstrate it has the capacity to recruit a cohort - a group of suitable businesses - from their membership that meet the BCC application eligibility criteria. Applicants do not need to have any businesses recruited at the time of application to the BCC and will self-nominate their bracket.

The size of each cohort will be determined by the business membership organisation itself and the number of businesses they think is reasonable to recruit. Ideally cohorts should be no smaller than 20 businesses.

Organisations will be assigned to one of the following funding brackets based on the number of businesses they think they can recruit as stated in their online application:

- Bracket 1: recruit 20 to 30 businesses that meet the application eligibility criteria £15,000.
- Bracket 2: recruit 31 to 40 businesses that meet the application eligibility criteria. £20,000.
- Bracket 3: recruit 41 to 50 businesses that meet the application eligibility criteria. £25,000.
- Bracket 4: recruit over 51 businesses that meet the application eligibility criteria. £30,000.

Applicants will be assessed according to the criteria outlined in the application form. Applicants will not be assessed according to the funding bracket they nominate - this is for information only.

We understand that a partner's ability to recruit businesses will depend on external factors. Partners who recruit more or fewer businesses will be able to change brackets. This will be done through discussion with the GLA once the BCC is underway and will depend on the total number of places available for fully funded technical support.

## **4.6 Eligibility Criteria for Business Engagement Partners**

To successfully deliver the 2022-23 programme the GLA will partner with business membership organisations. Business Improvement Districts, other Business Membership Organisations, Climate Change Alliances, and Town Teams are encouraged to apply to support the GLA deliver the BCC.

#### Minimum size

Applicants should be confident they can secure a cohort of at least 20 suitable businesses to apply to the BCC. See Annex A for the criteria for participating businesses.

#### **Endorsement**

Applicant organisations will require a letter of endorsement from their executive director to confirm the BCC is aligned with their mission and priorities.

## Resourcing

A Business Engagement Partner must be able to dedicate officer time to the BCC. Applicants should demonstrate their approach to managing the BCC in the application form.

#### **Consortiums**

Organisations can apply individually or as a consortium. A lead partner organisation must be appointed to act as the main point of contact for consortium application and oversee programme coordination.

## **Diversity**

The BCC aims to support and empower a diverse range of Business Engagement Partners and businesses, contributing to developing sustainability initiatives through a place-based approach. Thus, we encourage applications from organisations located in all London boroughs, of varying sizes and network reach. Organisations with Black, Asian, and Minority Ethnic owned or traditionally underrepresented business memberships are highly encouraged to apply.

## 5. Scope

## **5.1 Objectives**

The BCC works to achieve the GLA and London Councils' Green New Deal Recovery Mission. The programme will support the following objectives:

- promoting place-based responses to the climate emergency and green recovery from the pandemic
- contributing to London's net zero by 2030 target in your area of influence
- accelerating and leading decarbonisation efforts in your membership, contributing to growing the green economy

• supporting businesses to reduce their energy consumption 10 per cent over the Challenge year.

## 5.2 Responsibilities

Business Engagement Partners will support the 2022-23 BCC by managing business recruitment and engagement. They will work together with the GLA and technical support provider to deliver the programme.

Business Engagement Partners' responsibilities cut across the following BCC phases:

#### 5.2.1 Planning

Business Engagement Partners will be responsible for developing an engagement and outreach strategy to recruit and engage members. They will also support the GLA to develop the BCC delivery work plan and timeline.

#### 5.2.2 Recruitment, selection, and onboarding

Business Engagement Partners will recruit a cohort of businesses through in-person and online events, one-to-one outreach, and online marketing campaigns.

The GLA will provide communication and marketing material templates to support this effort. Partners should have a dedicated BCC webpage section to publish all communication materials.

Once businesses fill out an Expression of Interest form, partners will shortlist suitable candidates based on the application eligibility criteria (see Annex A).

#### **5.2.3 Programme delivery (technical support)**

Partners will manage business engagement regularly by contacting businesses one-to-one to follow up about their experience of the BCC. To maximise peer-to-peer learning opportunities, partners will organise cohort meetings at least bi-monthly where participants can discuss best practice and the challenges they face.

#### 5.2.4 Monitoring and Recognition

Business Engagement Partners will support the technical support provider to collect participants' energy data. They will publish communication materials with findings provided by the technical support provider to highlight their cohort's progress on energy reductions and actions implemented. Finally, partners will deliver a cohort-level recognition event to showcase successful businesses' actions and their collaborative efforts.

#### 5.2.5 Note

Where a business engagement partner has pre-existing resources which can be used for the BCC they do not need to develop new products.

For example: if a business engagement partner has an existing peer-to-peer learning network on net zero or decarbonisation they do not need to start a new one. They would be able to use the existing website/network for the purposes of the BCC.

## 6. Milestones and Payments

Business Engagement Partners will receive funding against achievements of milestones. An indicative payment timetable is included in the table below:

Table 2			
Milestone	<b>BCC</b> phase	Month	Deliverables
One			• commencement payment
30 per cent of total payment	Kick Off	0	Made upon delivery of draft engagement and outreach strategy.
			• dedicated BCC webpage
Two	Recruitment	+2	• recruitment events
30 per cent of total payment			• marketing and communication campaigns
			• receipt of EoI forms from businesses
			Made upon delivery of recruitment activities.

Milestone	<b>BCC</b> phase	Month	Deliverables
		+4	• complete cohort recruited
			• ongoing support of the BCC programme
Three	Delivery		• scheduling events
20 per cent of total payment			• development of peer-to-peer network
			• attending BCC meetings
			• knowledge sharing with other Business Engagement Partners
Four	Monitoring and recognition	+8	<ul> <li>continued support to ensure timely energy reporting</li> </ul>
20 per cent of total payment			<ul><li>and publication of findings</li><li>scheduling of cohort-level recognition event</li></ul>

## 7. How to apply

Organisations interested in applying should complete the application form. A briefing session will be held in the week of the 28th March 2022 to address applicants enquiries.

To apply to partner with the GLA to run the BCC for your organisation in 2022-23 <u>please complete the</u> application form.

You may be invited to a (MS Teams virtual) clarification meeting if the GLA has further questions on your application.

You will be informed of the results of your application via email by 23 May 2022.

Any questions about the application process can be sent to BusinessCC@london.gov.uk.

## 7.1 Key dates

• 18 March: prospectus launch

- 18 March: online application opens
- 31 March: briefing session
- 21 April: application deadline
- 23 May: decisions made
- 17 June: funding agreement signed
- 27 June: BCC official launch

## 7.2 Annex A - Indicative criteria for participant businesses

#### 1. Participating organisations

- Open to owners, owner-occupiers, building managers and tenants.
- Participants must have influence over the workplace and ability to make changes to how the space is operated- preference will be given to participants who can demonstrate both tenant and landlord buy-in.
- A participating organisation may be made up of single or multiple tenant businesses in one building or be the building owner.

#### 2. Responsible parties

Participating organisations must be able to nominate:

- A project lead with responsibility for building operations (facilities or building manager).
- a strategic lead with decision making powers (building owner or business executive).
- Participants must commit to an energy reduction target of 10% in the BCC year.
- Where a participant is made up of multiple tenant businesses in one building the group of businesses must nominate a lead business with primary responsibility for the BCC.

## 3. Type of building

- Participating organisations should be commercial buildings (not public sector or domestic).
- The BCC will be focussed on commercial office space.
- But the BCC will also pilot approaches to supporting retail, hospitality, industrial, accommodation, and mixed-use spaces.

#### 4. Building Management System

- The BCC is open to buildings without a Building Management System (BMS).
- A participant must have control or influence over building systems or contractual responsibility for these.

#### 5. Size

• Participating buildings should be occupied by over 50 employees (this can be across multiple businesses).

## 8. Frequently asked questions

# 8.1 I am interested in forming a consortium, but do not have a partner organisation, can I still apply?

Yes, in the application form you can select the option "I am open to partner with other organisations". We will make our best effort to find an organisation in your area with whom you can form a consortium.

## 8.2 Do I need to have a cohort of businesses recruited before applying?

No, organisations do not need to secure the cohort before applying. The recruitment process commences once partners have been selected. However, soft engagement is encouraged to assess your members' interest in the programme.

# 8.3 Is my organisation responsible for selecting businesses who will be part of the programme?

No, business engagement partners are responsible for recruiting and shortlisting potential participants within your membership that fit the BCC application criteria. The GLA and built environment firm will conduct the participant evaluation process and select suitable businesses in your cohort.

# 8.4 Does the funding include grants to support implementation of energy efficiency actions for my cohort?

No, allocated funding is meant to support business engagement partners to deliver the BCC. For example, to compensate officer hours, produce communication materials, run outreach campaigns, or similar.

## 9. Other formats and languages

For a large print, Braille, disc, sign language video or audio-tape version of this document, please contact us at the address below:

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Telephone 020 7983 4100 www.london.gov.uk

You will need to supply your name, your postal address and state the format and title of the publication you require.

If you would like a summary of this document in your language, please phone the number or contact us at the address above.

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#### References

• Reference:1 The British Business Bank, "Smaller businesses and the transition to net zero (british-business-bank.co.uk)", October 2021