

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD121

**Title:** Commercial Sector Emissions Programme Data Tool

### Executive Summary:

The GLA will procure delivery of an online tool, and development of the methodology for calculating its outputs, for collecting and reporting corporate sector buildings' energy use and related carbon emissions. The tool will be available online and will enable businesses and the GLA to securely upload, store, interrogate and report data.

The tool will be an integral interface to support the Mayor's corporate sector emissions challenge, a call to action by the Mayor to all large companies in London to make a public commitment to measure, disclose and reduce building-related CO2 emissions.

### Decision:

The Assistant Director is asked to approve spend of up to a maximum of £50,000 to procure the Commercial Sector Emissions Programme Data Tool.

### 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:** Stephen Tate

**Position:** Assistant Director, Environment

**Signature:**

**Date:** 23 January 2014

## PART I - NON-CONFIDENTIAL FACTS AND ADVICE

### Decision required – supporting report

#### 1. Introduction and background

1.1 The Mayor's Climate Change Mitigation and Energy Strategy (CCMES) sets out a plan to reduce London's emissions by 60% by 2025, compared to 1990 levels<sup>1</sup>. CO<sub>2</sub> emissions from workplaces account for 42% of London's overall emissions, the majority of which comes from the commercial sector.

1.2 The CCMES has set a target for Mayoral-led action to reduce CO<sub>2</sub> emissions from private sector workplaces (commercial sector) by 2.6 million tonnes of CO<sub>2</sub> by 2025 through improved energy conservation and energy efficiency: 2.1 million tonnes of CO<sub>2</sub> from large-scale companies and 0.5 million tonnes of CO<sub>2</sub> from SMEs, as shown below. This will make a 20% contribution to overall savings from London's workplaces.

1.3 The Mayor's Vision 2020 document sets a vision to have a plan in hand to retrofit every badly insulated building in London by 2020.

1.4 The building energy and emissions tool will provide an intervention to stimulate uptake of energy efficiency measures in buildings, a form of support that is currently lacking<sup>2</sup>. The tool, supported by the programme, will encourage landlords and tenants to take the first step towards action<sup>2</sup> by defining goals for energy use and carbon emissions.

1.5 The objectives of the commercial retrofit programme overall are:

- To develop a revolving pan-London programme for the commercial sector to catalyse retrofit and decentralised energy activity. This will be designed as a challenge, a call to action by the Mayor to all large companies in London to make a public commitment to *measure, disclose* and *reduce* building-related CO<sub>2</sub> emissions.
- Companies will be invited to join the Mayor in targeting a 20% reduction in building-related energy use / CO<sub>2</sub> emissions within four years<sup>3</sup>. The programme branding will emphasise the ambition and leadership of those participating, and position them as pioneers leading the low carbon economy in London (reducing CO<sub>2</sub> emissions and supporting economic activity).

1.6 The proposition for participating companies will include:

Benefits	
Insight	Insight into energy use profile
	Identification of energy saving opportunities through improved benchmarking
Profile	Association with Mayoral and business-led scheme
Reward	Recognition and reward for disclosing data and retrofit
Retrofit	Access to GLA retrofit expertise

<sup>1</sup> From 19.74 million tonnes CO<sub>2</sub> p.a. to 5.67 million tonnes CO<sub>2</sub> p.a.

<sup>2</sup> 'Low Carbon Retrofit Toolkit; a roadmap to success,' Better Buildings Partnership, May 2010

<sup>3</sup> Where previously agreed targets are less than this, the Mayor's challenge may be defined as a stretch target.

## **2. Objectives and expected outcomes**

2.1 The data tool forms a critical part of the overall programme, providing companies with an easy to use and secure method of disclosing their energy use and emissions as well as opportunities for recognition by the Mayor. It will provide the GLA with a robust tool that will not require significant further GLA resources to process and produce the output on which companies will be judged. The data tool will be integrated with London.gov.uk, working with the Web Team and the Technology group at the GLA.

2.2 The tool may also be hosted on the Greater London Authority's website, or it may become part of an existing tool hosted externally depending on the costs and benefits, which will be assessed during the procurement process.

2.3 The tool developed for this project will be used to manage the data needed to aggregate individual building energy consumption data to an individual company carbon emissions baseline, and measure a company's carbon reduction progress against the baseline over a timeframe of several years. This will be done through a consistent calculation methodology applied to all programme participants' data sets, supported by a function to generate progress reports. The information held within the data tool will ideally yield specified insights on building and portfolio performance to enable the GLA to provide the subsequent programme elements and benefits detailed above.

2.4 The data captured by the tool can yield valuable insight into operational energy consumption across London's commercial building stock and encourage and enable owners and occupiers to identify, implement and monitor energy saving measures. It is the objective of this request for proposals to develop and deliver that tool and its related methodology.

2.5 The GLA is actively participating in wider industry stakeholder projects convened by industry organisations such as the UK Green Building Council. These projects seek to address industry motivation, necessary protocols and resources to enable more effective measurement, management and recognition of carbon emissions reduction works, and the GLA is fully committed to helping facilitate these outcomes where possible. The reporting tool being sought should allow for flexibility and future-proofing to remain compatible with the outcomes of this UKGBC initiative.

2.6 The primary objectives of the Corporate Sector Emissions Data Tool project:

- to enable corporations to easily and securely submit and record data that will generate information on their individual buildings' and aggregate company energy use and carbon emissions
- establish individual company carbon emissions baselines (presumed to be 2010), supported by calculation factors that allow for data normalisation if advised by the developer of the data tool
- generate reports and data that can be accessed and interrogated by the GLA and participating businesses on their energy use, building-related carbon emissions and progress against their baseline, from 2010
- to capture information that will inform the Mayor's award and recognition scheme for corporations disclosing and improving their London buildings' energy use and carbon emissions

2.7 The scope of the project includes:

- Identifying a methodology for calculating the required outputs specified in Section 5.2 for commercial sector landlords and tenants

- Delivery of an online tool for collecting, analysing, reporting and interrogating data relating to scope 2 emissions from energy use, which will have been tested by 5-10 organisations, to be determined by the GLA
- Delivery of user guidance

2.8 The outputs of the data tool procurement include:

- Identification and agreement of a methodology for calculating the required data outputs
- Development of an on-line tool
- A tool user guide

### **3. Other considerations**

#### **Key risks and issues**

3.1 An inability to secure sponsorship could reduce the overall programme's budget, reducing marketing and communications resources for promoting the tool, hosting a stakeholder launch event and awards ceremony. Although this may delay the wider take-up of the tool, it will not reduce its value in the medium-term. Through the Commercial Sector's Sponsors Board, the GLA has already identified a sufficient number of 'early adopters' to meet its first year launch objectives without further need of budget from sponsorship, so this risk is minimal.

3.2 The procurement process could identify that the best value for money is the development of a tool 'from scratch,' which could extend delivery time beyond this financial year, with an acceptable tolerance of one month. So long as this extended time period allows for clearly defined improvement against other options this extension will be acceptable and not critically disrupt programme delivery. If this is the case, the project manager will raise a carry forward request. This is a medium risk.

#### **Links to Mayoral strategies and priorities**

3.3 The Climate Change Mitigation and Energy Strategy sets a target to reduce greenhouse gas emissions in London by 60 per cent on 1990 levels by 2025. To meet this target, commercial buildings will need to reduce their emissions by 70 per cent by user a greener energy supply (national and London government action required) and improving energy efficiency; both action will be supported by the Commercial Sector Emissions Programme, for which the data tool is a critical aspect for measurement, influencing and supporting.

3.4 The Mayor's Vision 2020 document commits to having a plan in hand to retrofit every badly insulated building in London by 2020. The Commercial Building Data tool will support delivery of this target, by identifying badly insulated workplaces through voluntary reporting, the first step to engage with stakeholders and inform a wider programme of support for retrofit.

#### **Impact assessments and Consultation**

3.5 The GLA has consulted large commercial sector stakeholders via the Commercial Sector Programme Steering Group, which consists of large corporate organisations and represents a mix of commercial sector landlords and tenants.

## Procurement

3.6 The tool will be procured in accordance with the Greater London Authority's Contract and Funding Code.

### 4. Financial comments

4.1 Approval is being sought to undertake a procurement exercise relating to the delivery of a Commercial Sector Emissions Programme Data Tool.

4.2 The estimated cost of this contract is up to £50,000. This estimation is based on expert opinions on and experiences for developing a tool. MD1207 approved the 2013/14 environment programme budget, which includes a budget of £160,000 for Retrofitting London, from which this project will be funded. It is expected the commission will be wholly undertaken in 2013/14.

4.3 Any on-going maintenance costs associated with this online tool will need to be contained within the existing Environment Unit budget.

4.4 All requisite budget adjustments will be made.

4.5 As this decision relates to a contract, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to.

4.6 As part of this contract is consultancy based, officers have to ensure that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are adhered to.

4.7 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.

4.8 The Environment Team within the Development, Enterprise & Environment Directorate will be responsible for managing this project.

### 5. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract [for externally delivered projects]	Through 21 January 2014
Delivery Start Date [for project proposals]	1 February 2014
Delivery End Date [for project proposals]	31 March 2014
Project Closure: [for project proposals]	31 March 2014

**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**

Defer requested due to press announcements in March 2014.

Until what date: (a date is required if deferring) 31 March 2014

**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 to confirm the following (✓)

**Drafting officer:**

Larissa Bulla has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.



**HEAD OF GOVERNANCE AND RESILIENCE:**

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

**Signature:**

**Date:**