

15 August 2023 Net Zero Accelerator Market engagement session - Questions and answers

No:	Question or Comment	Response
1	Can you record the session?	All slides and key speaking notes, with links to the documents (including the PIN) discussed will be shared
2	Can you share slides?	NZAP Market Engagement session 15 August - Slide deck and speakers notes
3	Can you share the links as discussed in webinar?	<ul style="list-style-type: none"> • Department for Education Sustainability and Climate Change Strategy • International Green Skills Conference 2023 • Pin Notice - Feasibility Studies - Net Zero Accelerator Programme
4	Please don't forget ventilation and overheating prevention improvements. for holistic refurbishment.	At this stage all potential interventions are in scope. The purpose of the feasibility is to test what is effective and commercially viable.
5	Many local authorities have been pushing this vision for years - great to see the vision for the Accelerator to help bring this forward but it would be great to pull in a 'lessons learned' exercise with those who have been	Agree and collaboration and bringing case studies highlighting lessons learned is encouraged.

	doing this.	
6	All projects must be commercially viable? that is difficult to achieve for education facilities due to the low occupancy rates. please define commercially viable? will you require a payback within 5,10,15 etc years?	As part of the feasibility phase, providers will be working with us to define what works as a commercial model whilst producing value for money for the schools/emission reductions and over what payback period.
7	Have you any links with the EAUC, they support FE and HE with similar challenges	A number of HEs have made great progress in their retro fit schemes e.g., UCL raised £300m on an oversubscribed green bond. FE and smaller HEs may need further support to navigate their approach. Although we are starting with school estate, there may be to bring in wider of the education and public estate at later points.
8	Would asset finance be accepted in terms of renewable energy?	We are investigating a number of different finance routes. An options analysis will provide and different route this will be further investigated as part of the feasibility stage.
9	Please adopt a holistic approach to retrofit. To account for unintended consequences of retrofit on ventilation and overheating in the context of climate change. All ventilation, temperature and VOCs from construction materials are affecting cognitive performance (ability to learn).	Noted
10	It would be great to have a discussion about whether Central London's 'Skills for a Sustainable Skyline Taskforce' (green skills for London's commercial built environment) could get involved in and support your	Noted

	international green skills event in September - www.cityoflondon.gov.uk/GreenSkillsTaskforce	
11	Is the offer for maintained schools only?	No, all publicly financed schools will be in scope at this stage
12	The core idea is a good and robust one - the challenges will likely be in terms of how the school's 'debt' will be considered and managed; also managing the engagement of the Landlord	Noted
13	Difficult to 'sell' a model that includes capital maintenance works if schools/RBs can secure grant funding from other sources rather than borrowing. E.g., LA capital allocations, SCA funding. Joining up funding streams always challenging but we need to break down existing systems to make progress here...	Noted
14	Would be keen to understand how the upskilling of end-users will be undertaken and whether this will put more onerous maintenance requirements / costs on schools	Upskilling' school estate management teams will need to be an integral part of the overall offer. We are seeking partners who will be able to provide such proposals as part of their feasibility.
15	Is this intention that this will be government backed and underwritten too?	This would be a DfE led initiative. We are interested in models that are commercially viable as a standalone loan and delivery service. It is an iterative process and there may be discussions about any role for government funds in underwriting such a scheme, however this is still to be confirmed.

16	Many schools will have 'Premises Development Plans' which can quickly be used to estimate potential interventions, costs and benefits.	Noted
17	Is there interest in linking the interventions in a school with the local residential area in a more systemic way?	Yes, we would be interested in deliverable models that seek to achieve this.
18	Has interaction with the FM teams at the schools been taken into account. They will need full training over a period of time on the equipment to ensure efficiency in use. Not just a couple of hours over the summer holidays.	Upskilling' school estate management teams will need to be an integral part of the overall offer. We are seeking partners who will be able to provide such proposals as part of their feasibility.
19	The barrier to a "seamless" service when it comes to finance is most likely due to the restrictions on finance/operating leases. This needs careful consideration to ensure the finance restrictions don't block investment	Noted
20	The zero-carbon challenge for public housing is being delivered using the PAS2035 process, where a medium-term plan is provided for each dwelling to ensure all measures are delivered in a planned coordinated fashion. Is the intention to use PAS2038 for deliver these interventions?	The standards, measures and metrics related to the programme are yet to be finalised.
21	This ties in very closely with our Net Zero Neighbourhood concept	Noted

22	Are schools' energy buying within scope for this project?	Yes, how schools buy energy will need to be part of the business modelling.
23	I would be happy to investigate energy saving measures across the estate and finance the installation of renewable energy (solar, batteries, EV charging points, etc) without cost to the schools with repayments made through the energy saving measures.	Noted
24	Do the six companies selected for the 'proof of concept' then become the delivery partners or is there going to be another tender process for delivery partners ?	We are seeking five partners at this stage. If Ministers decide to proceed with such a service, there will need to be a separate procurement for the delivery phase.
25	What is the expected output for the fixed fee? and what information (data) will be provided to successful tenderers to enable a proof of concept which is evidence based. Do all six partners work together to do one proof of concept, or six different models?	We are seeking five partners. The detailed scope will be set out in the ITT. The chosen feasibility partners are likely to work independently with LocatED bringing the findings together. The output is a business model with sufficient granularity to enable a panel of investors, which we aim to configure from various expert organisations, to make a decision on whether this is an investable model. In doing, so, they will need to balance the benefits for schools both in cost savings and emission reductions, (especially given that their participation will be voluntary), alongside benefits to net zero goals and value for money for the public purse. We will share with feasibility partners the data sets we hold on to the cost of interventions, condition of the estate, modelling completed to date and will iterate with the providers as needed. We will make available the same sets of data and info. to each participant in the feasibility but we anticipate they will each

		take different approaches, offer different interventions etc.
26	How will the LAs that own schools be involved in this process? What will be the role of these LAs? If there are following phases of Salix funding schools won't be eligible anymore or will both programmes coexist for schools?	We are conscious that several LAs have been making good progress on their own retro fit programmes and there is learning to be had. We anticipate that some business models will include collaborative work with LAs, city wide and wider public estate schemes. No decisions have been made about how such a scheme will interact with the Salix scheme.
27	What building baseline data exists currently?	We have a robust condition of estate data set that can be shared, alongside some estimates of what interventions might have been implemented thus far. We also have some good data sets stemming from some existing interventions with Multi Academies or in partnership with other delivery agents. This will be shared with the chosen suppliers.
28	Would the DoE be able to share lessons learned from the Public Sector Decarbonisation Scheme for schools and underlying data on which measures have been implemented and which have not (and why)?	We will be able to feed in feedback on the PSDS scheme as part of the feasibility study.
29	Will this be for UK schools, e.g., Scotland and Wales ?	DfE's remit is England only.
30	What role for LAs do you see in this process?	See 26
31	It's a great idea but the biggest barrier is on sharing the risk and who owns the asset during say a PPA. Money isn't really the problem I suspect as pension funds etc are	Noted

	looking to scale up low carbon investment, but they don't want to own or run assets. Therefore, the return is probably not good enough for service operators to engage with. Similarly, Fabric improvement is probably the single most important aspect of transitioning to Net zero and there's no model for investment return for the private sector	
32	We have a proposed Net Zero demonstrator school project located in the Southwest which is currently at the concept specification stage which aligns exactly with Net Zero Accelerator remit. We look forward to the ITT . Would you consider an Energy Performance Contract financing and operational model ?	We are aware that some schemes are already operating on an ESCO model. There are some accounting concerns about how these relate to public debt rules that we will need to explore as part of the feasibility phase.
33	Is there a view for a TA role similar to the other capital delivery programmes (SRP, FS etc)	We will need to ensure that the interventions are delivered to a safe and appropriate standard. No decisions have been made about how that is best achieved.
34	has there been wider consideration given to Local Authorities developed or developing heat networks, to support heat decarbonisation at scale?	See 26
35	Would you like to hear from software vendors who help to track the live energy performance of the estate. Crucially, to monitor the emissions/costs of a school etc before or after any retrofit initiatives?	Data on energy usage will be key. For the feasibility study, we are interested in the holistic business model and wide set of interventions. It may be most appropriate to offer your input to consortia bid for the study or await any roll out for the implementation of individual technologies.

36	What existing data is available please? and how much of this will be shared with us?	See 27
37	Are delivery partners due to be appointed Oct to Dec, so the scheme can then launch? Did I understand that correctly?	The ITT will be issued in September and then providers will work on the feasibility from late October to December. The feasibility will inform whether any service can be rolled out.
38	Would the DoE be able to share their own previous work undertaken for energy benchmarking in schools e.g., what has been extracted from the non-domestic energy performance register?	We will share what data we have with the chosen feasibility partners.
39	What levels of funding do you anticipate being made available annually?	This is not a grant funded scheme but rather a loan and delivery service. We expect aggregations to be substantive sums in order to attract financing on the market.
40	How does this piece fit with the current 2 x Live DfE tenders for the provision of 'Sustainability Leadership & Climate Action Plans' 1 - KNOWLEDGE SUPPORT HUB, 2 - SECTOR ENGAGEMENT AND SUPPORT	Those are related schemes focused on a network of support to enable schools to develop their climate action plans. These will be useful to feed into any retro fit scheme.
41	Will this scheme be accessible for FE colleges? Or an opportunity for them to work with schools as part of the aggregation?	Possibly. We are starting with schools, but it could apply to FE colleges or wider public sector.
42	Consider linking Net Zero Accelerator / community proposals to future DfE Construction Frameworks.	Noted
43	Is this competing or complimenting with Salix funding?	A different scheme but we will need to consider how it relates

		to Salix during feasibility phase.
44	Very ambitious and welcomed. How does user behaviour and education of how to use their building come into this? Can this be part of the package offered to schools as well as physical intervention?	Upskilling' school estate management teams will need to be an integral part of the overall offer. We are seeking partners who will be able to provide such proposals as part of their feasibility.
45	With the focus on commercial viability of intervention measures, it is highlighted this could significantly influence (and limit) the extent of decarbonisation interventions measures that could be applied. Decarbonisation and life cycle cost savings do not go hand in hand.	Noted
46	It will be important to ensure "Batching" is representative and does not facilitate "cherry picking" with the diversity of both of the urban and rural school portfolio. How will the LocatED team ensure that batch sizing and type is real world at scale. The DESNZ Hubs are willing to support your scoping in principle if required. John Allen and I represent the DESNZ Hubs in the SW Region and we are keen to support the portfolio mix creation to ensure post pilot replicability of returns	Noted
47	Must the responses to the ITT address all the packages (PV, Batt Store, Insulation, EVC, etc) - or can a proposition deal with just 1, 2, or more of those measures/initiatives?	At this stage, we are interested in testing a holistic package of retrofit measures. In any roll out, there may be space for a narrower set of interventions or opportunities to work in consortia.

48	Will the Pilots demonstrate o different building types/ages/locations?	This is a feasibility study, rather than piloting. It will model large batches of different sorts of aggregations of schools.
49	when will more details of the ITT be released? four weeks lead time is quite short from standing start.	In mid Sept. but at this stage we only need to know what team you will be bringing to the feasibility study and how you intend to work with us to develop your business model.
50	What electricity price assumptions will be used in the investment appraisal?	The participants in the study will need to feed in their own assumptions re energy pricing, supply and workforce costs.
51	The ITT will be issued mid Sept and returned end of September. This doesn't give much time?	See 49
52	Would the schools want guarantees of savings i.e., performance contracting, backed up by M&V?	Yes, ideally. This will help de risk and reassure.
53	Will a partner company require skills to deliver school improvement projects from concept to delivery to maintenance, or do companies with a narrower focus have a role in this?	See 47
54	It's vital we look at climate mitigation and adaptation to create a return on investment, green infrastructure, overheating and ventilation post covid - carbon accounting won't do it alone and also the end users will feel like this is being done to them, not with or for them. How can we ensure the outcomes are linked to benefits for the end users and not just benefit to the gov NZ target?	Noted

55	Both schools' existing contracts and the fact that a lot of the 'low hanging fruit' has been done will be an important factor in looking at early take up.	Noted
56	What sort of ROI's will you be looking at?	This will be confirmed as the feasibility study develops and we continue to interact with the market.
57	How can community schools access loan finance?	The detail of how schools (of any type) access the service is still to be confirmed.
58	The Net Zero (etc) message has gathered good momentum, and schools/academies know their responsibilities through GEMS, but commonly we see a gap in the strategic management of schools, and this can block a truly joined up plan. So, perhaps part of the objective should be to educate stakeholders (governors, SLT etc) but also to make the approach 360 by engaging pupils too in this process?	Agreed
59	A link up with Let's Go Zero and others (Sustainable Schools Network etc) would be amazing - engaging pupils and school communities in this process will be key, particularly when many young people are experiencing climate anxiety. This is a fantastic opportunity to promote positive change/progress.	Noted
60	Is there any information you can provide on payback duration/ROI?	See 56

61	How do we approach schools that are tied into long term PPI arrangements that might prove difficult to implement interventions on site due to the existing commercial limitations	Aware of the constraints of PFI sites, though some are now due to end on the near horizon.
62	Will there be revenue funding/support in relation to the development of robust decarbonisation plans for schools, which help map out the key areas of focus to support decarbonisation, but also to help identify the type of supply chain/skills requirements	The concept of this approach is that it does 'handhold' schools through the process.
63	In my experience, schools abhor long term contracts, even when the savings are clear, tangible and low risk	Noted
64	Worth noting that the Skills for a Sustainable Skyline Taskforce will be working on upskilling for building end users- our focus is on commercial assets but there will be plenty of learning and relevant resources for the school sector to make use of	Noted
65	How are the reviews/audits to be funded in order to understand what ROI would be reached prior to capital works being carried out.	This will be developed as part of the feasibility process.
66	Very good initiative and much welcomed. Technology and finance models already exist and with a focus on contract structure and scale, this can work. In selecting your pilot, it would be good to categorise schools of various sizes/archetypes. Secondly, it would also be good to involve DNOs as grid connection is a common challenge	Noted

	currently. Lastly, there are many not-for-profit organisations doing this type of work such as Greater Manchester Community Renewables and it would be good to consider funding from local communities in addition to other ethical finance providers.	
67	Good Point - Creating a School "iDNO" is an important method for schools to achieve a RoI.	Noted
68	Can start-up businesses who are seeking sites to test new technologies / systems be included in a collaborative partnership?	This is a feasibility study of a holistic approach. There will not be an opportunity to test the technical capabilities of new technologies on site given the time frames, however we are encouraging innovation to find the best solutions to the challenges faced.
69	How does this differ to PSDS? Funding pot isn't big enough, but what you are presenting is a similar model as it doesn't look at anything in addition to carbon saving - can the data gathered from BEIS work done on schools be shared with the successful tenders to support defining the 'sweet spot' of measures?	PSDS tends to focus on the high decarbonisation interventions only, mainly heat pumps. This is a loan and delivery service looking at a wider set of interventions, including fabric and condition need improvements and focussed on the education estate. We work in tandem with PSDS colleagues, so we can share any learning with feasibility partners.
70	Do the DfE know broadly what % of schools currently have LED and Solar? Be good to share if so.	We have some central estimates. Solar uptake has been low, but LED has made greater progress.
71	Have you looked at the outcome of the 2017 MAT Loan Pilot projects and the batched procurement and the results six years after operation ?	Aware of the resilient school pilots.

72	Reference the comment about commerciality, this is exactly why RP's need to form a solid strategy - which will include a balance of measures	Noted
73	Have you spoken to the British Business Bank as well re lessons learnt? I was talking to them about similar things (much earlier stages) when I was at BEIS re SMEs.	No, but grateful for any contact.
74	Many schools will need a base level of funding to improve the condition of their stock in conjunction with energy-efficiency improvements that won't necessarily give an ROI. Will this be taken into account?	There are existing sums of CDEL held at local level and the CIF scheme for urgent repairs. How the various grant funds are best targeted to support any loan and delivery schemes will be considered.
75	In the future , in terms of proposed procurement routes, are you considering using the Crown Commercial Services RM 6314 - Demand Management & Renewables Framework or other DPS's or other frameworks ?	No decisions made as yet.
76	Utility upgrade costs may greatly influence what makes a project viable or not. With this variability, do you propose to exclude this element from the payback calculation?	No, we need to explore ideas on how to achieve best pay back on any upgrades.
77	How will you determine which schools will be considered for a project or batch?	The batches for the feasibility study will be pre-determined to ensure the samples are representative. The aggregations for the roll-out still need to be determined.
78	Does this programme support PFI buildings ?	We are aware that many PFIs are coming to end of their terms.

79	This mission will take many years to achieve - so the next generation is essential	Noted
80	There is some good feedback from the DfE Passivhaus pilots on behavioural requirements from schools vs. operating requirements, if not already looked into.	Noted
81	The need for the supply chain/partners providing the BA time/financial feasibility modelling is going to exclude some SMEs that provide niche and compelling technologies but are early in their journey and don't have financing or resource to provide such analysis.	We are encouraging consortia for this reason.
82	Is there consideration of not only looking at net zero of the buildings but also the investment requirements for adaptation, looking at future projected weather conditions and the need to address flooding, cooling and heating requirements	It would be good to do so.
83	Is CDC 2 data available to support the batching of the pilot schools?	Yes
84	Could the energy savings be used as an incentive by the schools to purchase specialist equipment or similar	This is something that will be explored as part of the feasibility study.
85	Behaviour is a key part of the journey to NZ - will this be included in the Feasibility?	Yes.
86	Could we be talking about the start of a public private	We are in the early stages of feasibility, exploring several

	approach to FM here?	approaches.
87	There is such a broad variety of schools, primary, secondary, those in partnership with other schools giving the business support. Especially primaries. Can one model fit all? .many small primaries just don't have the business acumen/resource for this. How will they be supported. They are often the ones that most need the help	The concept is to provide a service that 'handholds' all schools through the process.
88	Agree a holistic approach is needed. This is fantastic initiative and sorely needed. The solution is there to be found. I would suggest flexibility and Building Management systems are key in system design	Noted
89	Thank you all - a really interesting session and look forward to reviewing the next stages of the engagement. As noted earlier the Crown Commercial Services RM 6314 - Demand Management & Renewables Framework could give you good access to the market if you are looking at potential future procurement routes.	Noted
90	Would Government "Wrap" the schemes to reduce investor risks	Possibly. Something to explore as part of the feasibility study.
91	<u>Thanks all. We are architects heavily involved in DESNZ SHDF and with experience in working with Academies and HE. our particular interest is digital twin / energy modelling / big picture long term strategies</u> If anyone	Noted

	<u>would like to collaborate, please email me jon@constructivethinking.co.uk</u>	
92	From the 6 partners, will you be looking for each of those partners to be multi-disciplinary teams, e.g., engineering, architects, cost consultants?	We are seeking 5 partners. Yes, multi-disciplinary teams are encouraged.
93	Please can you confirm what framework the ITT will be issued on ? Also on the presentation it references a £50k award for the feasibility partners to develop their POC , is the £50k per partner ? Also, the notice mentions a £300k budget for the project is this split across the partners ?	This is an open procurement, so is not being issued on a framework. The £50k award is per feasibility partner.
94	For efficiencies- why tendering via an existing established framework wasn't considered?	We are encouraging consortia and collaboration from a range of suppliers and are running an open procurement to achieve this.
95	Are you proposing to set up a Procurement Framework?	This will be determined through the feasibility stage.
96	Could you please provide a 'ballpark' estimate of what a single school (primary and secondary) decarbonisation project cost might be?	This will vary significantly from school to school and will be determined in part by the level of payback. Previous feasibility studies have shown total costs ranging from a few £100k to several £million so it will vary. The purpose of the feasibility is to gain greater clarity on this point.
97	What you would expect a batched project value to be. The answer to Q1 & 2 will help us assess whether this	We are anticipating batch sizes of c. 100 schools, so total batch value would be minimum of £25m. Again, the purpose

	opportunity is right for our business.	of the feasibility is to determine the optimum batch size and how to batch most effectively.
98	Do you anticipate a further SQ/ITT for the award of a framework following the Pilot activity, or are you anticipating the six contractors who complete the pilot go on to be the delivery partners for all future schemes?	No, we are anticipating that if the programme goes ahead there will be a new procurement.
99	The period for the ITT tender seems relatively short (2/3 weeks). Could you please provide a little more detail as to what this entails to allow us to establish resource requirements and availability.	We are anticipating asking bidders to provide information on the proposed team, the background and experience in retrofit/ decarbonisation projects, and some scenario based questions.
100	Have you had any thoughts/considerations regarding the commercial model for this framework. We have a detailed understanding of the DfE Schools commercial model and the need to hit a cost/m2 as tendered. Is it the intention to achieve a similar position for this framework? If not what are the options you are considering?	This is yet to be determined and will be informed by the results of the feasibility.
101	Does the £50k which has been cited as the payable sum to each for the six contractors who secure a place on the pilot activity, cover the associated design works which will be required by external design and engineering consultants?	Yes, it will be £50k per successful bidder.
102	Is there a scope and timeline for the pilot activity. Knowing this will help us understand the commitment that you are looking for and help us plan for making this	We are anticipating the feasibility work lasting until the end of this calendar year.

	resource available.	
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Please do contact us with any further questions or queries you may have.

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