

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2151

Title: Communal Heating Consumer Survey

Executive Summary:

The London Plan requires that new developments above a certain size install their own combined heat and power (CHP) district heating network where the connection to a local heat network is not feasible. District heating is a key component of the Mayor's Environment Strategy and a delivery mechanism for achieving the target of London being a net zero city by 2050. Some residents in certain new developments with CHP heating systems have expressed concerns about aspects of their heating arrangements. The GLA proposes to undertake a customer experience survey of residents of housing developments in London whose heating arrangements incorporate CHP/district system. A total of 50 sites will be surveyed, including some constructed before the London Plan requirements came into effect as a control group. The aims are to:

- Further understand this issue affecting Londoners,
- Obtain first-hand information to categorise the nature of dissatisfaction and establish the extent of the issues across the surveyed schemes and how these could be resolved.
- Be able to recommend to the Mayor the next steps to address the issues.

City Hall has developed a questionnaire and will undertake data analysis and reporting in-house. The survey will also help provide a consolidated CHP database that will be a useful data source to further understand e.g. air quality implications. City Hall has competitively procured the research agency Kantar TNS to deliver the fieldwork, with commission subject to this approval.

This request seeks approval to spend £19,995 from the GLA Environment 2017/18 budget to award a contract to Kantar TNS to deliver the fieldwork.

Decision:

That the Assistant Director of Environment approves expenditure of £19,995, from the GLA Environment 2017/18 Zero Carbon budget, for Kantar TNS to deliver the fieldwork for a customer experience survey of residents whose heating arrangements incorporate CHP/district systems.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

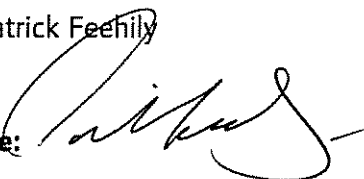
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Patrick Feehily

Position: Assistant Director of Environment

Signature:



Date:

11/9/2017.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

1.1 Combined Heat and Power (CHP) is a form of energy generation that simultaneously produces heat and electricity. Such systems have high energy efficiency as they make use of some of the heat created during electricity generation, which would otherwise be wasted. When connected to heat distribution networks, this recovered heat can be used for providing domestic hot water and space heating, displacing the need for homes to have their own boilers. District heating is a key component of the London Environment Strategy as a delivery mechanism to support London becoming a net zero carbon city by 2050.

1.2 CHP can be built in to new developments or retrofitted to existing buildings, with the London Plan providing the planning guidance to deliver in new developments. Approximately 300 sites in London employ CHP for both domestic and non-domestic installations. We are currently working to establish a database of these sites.

1.3 The technology is relatively mature, however there are situations where it has been implemented poorly, causing problems for the user, and potentially adding difficulty to promoting wider use of the technology if its reputation is harmed. The expectation is that the installation of schemes should have improved over time as design and installation expertise has improved.

1.4 Poor performance has been reported in several areas, including:

- Energy costs – it should be cheaper, but there are some examples where it has been more expensive
- A lack of control over the heat entering homes from systems leading to overheating
- A lack of helplines meaning complaints are not handled correctly, meaning faulty services are difficult/slow to be fixed

1.5 It is therefore proposed to undertake a survey to understand the degree of success or failure of London's CHP schemes, the areas for improvement and whether schemes have been improving over time. This would underpin continued promotion of CHP by City Hall and potentially enable City Hall to seek Government funding to help address those schemes that are failing due to poor engineering.

2. Objectives and expected outcomes

2.1 The aim of the project is to provide insight that supports consumer interests and City Hall's continued promotion and development of CHP, by understanding its relative successes and failures for users.

2.2 To address the above issues, City Hall requires an agency to deliver the fieldwork for a customer satisfaction survey of residents of housing developments in London that are fitted with CHP systems. The work will look at both experiences of certain issues and perceptions of the system in providing a heating service.

2.3 City Hall has competitively procured the research agency Kantar TNS to deliver the fieldwork, with commission subject to this approval. It is proposed that the Kantar TNS will deliver a survey of residents across 50 developments with CHP installed under the London Plan and some constructed prior to the Plan as a control group. The aims are to:

- Act to understand issues facing Londoners;
- Obtain first-hand information to categorise the nature of dissatisfaction both in terms of the technology and wider service, and establish the extent of the issues across the surveyed schemes;
- Recommend to the Mayor the next steps to address the issues.

2.4 City Hall has developed the questionnaire and will undertake data analysis and reporting in-house. Based on the survey findings next steps could include:

- Collation of case studies of positive examples of communal heating system including CHP in London for use in promotional material.
- Detailed assessment of scheme upgrade needs where there is significant scheme failure.

3. Equality comments

3.1 The appointment of an agency via a competitive tender process to carry out the survey has no direct equality issues. The outcome will however help bring about fairer and affordable heating systems installed as a result of the London Plan.

4. Other considerations

Key risks and issues are set out below:

	Risk description (cause, 'risk event', potential impacts)	Probability (1-5)	Impact (1-5)	RAG	Mitigation/Risk response (state if the response is done or pending)	GLA Owner
1	Ineffective survey process	2	5	Red	With BEIS support, City Hall have shortlisted 50 residential sites where it is certain that CHP is installed. The questionnaire has been drafted after internal and external consultation to ensure it is easy to understand. The selected agency will be asked to guarantee a minimum number of interviews (375) and an introduction letter will be presented to the participants during the survey.	PKN/RG
2	Lack of relevant results from the survey	3	3	Green	A number of residents may be unable to respond to specific questions (e.g. annual heating bill, type of heating control, etc.). This would highlight a separate issue for consideration: the lack of adequate information provided to residents. The project could look to rectify this by picking up with the agents, housing associations etc.	PKN/RG

The links to Mayoral strategies and priorities

4.1 The project will help deliver the Mayor’s Environment Strategy committing London to a target of becoming a zero-carbon city by 2050.

It will create value in the production of a consolidated CHP database that will be:

- A useful data source not previously compiled by the GLA, which could be used to further understand e.g. air quality implications;
- Made available on the London Heat Map from the London Data Store. This will reduce the cost of the proposed future Heat Map upgrade.

5. Financial comments

5.1 The Assistant Director of Environment’s approval is being sought for expenditure of £19,995, for an agency to deliver the fieldwork for a customer experience survey of residents whose heating arrangements incorporate CHP/district systems.

5.2 The cost is to be funded from GLA Environment 2017/18 Zero Carbon budget and all the work will be completed within 2017/18.

6. Planned delivery approach and next steps

6.1 The procurement of the agency to carry out the survey has been tendered via a mini competition. The research agency Kantar TNS has been selected to deliver the fieldwork, with commission subject to this approval. Below is an indicative timetable for the work:

Action	Date
Invite for mini competition tenders	30 June
Tenders returned	Noon 10 July
Decision made (commission subject to ADD)	11 July
Agree sites for fieldwork	17 July
Questionnaire sign-off	28 July
Questionnaire supplied by GLA	31 July
Letter for surveyors supplied by the GLA	18 August
Submit ADD to Decisions	5 September
CIB decision	11 September
Award of contract and set up	11 - 15 September
Fieldwork	18 Sept – 6 Oct
Data file delivery	9 – 13 October
Data provided to GLA	16 – 20 October
GLA internal analysis and reporting	Mid/Late November

6.2 The GLA’s Opinion Research Team will manage the programme in order to ensure that all research undertaken delivers the high quality, robust insight required by the Environment Team.

Appendices and supporting papers:

Tender Brief

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? NO

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:

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

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 11 September 2017.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature:



Date:

11-09-17

