Cambridgeshire & Peterborough   
Combined Authority

**Local Net Zero Accelerator  
Finance Support Service**

Pre-Market Engagement Briefing Document

28th March 2024

1. **Introduction**
   1. This briefing note is being made available to you in advance of a procurement process to establish a dynamic purchasing system (“**DPS**”) which will be undertaken by Cambridgeshire & Peterborough Combined Authority (“**CPCA**”). Any capitalised words/acronyms used in this document shall have the meanings given to them in the Glossary at Annex 1.
   2. CPCA wishes to conduct pre-market engagement with providers of financial services and related services, who may be interested in working with the CPCA on this exciting and ambitious project to deliver a range of net zero finance initiatives.
   3. CPCA’s ambition is to appoint Suppliers who will support three Local Net zero Accelerator pilots by providing access to relevant skills, knowledge and experience in finance, legal services, procurement and other specialist fields. The Suppliers will support the delivery of ambitious and high-profile net zero programmes while developing a base of knowledge and resources for the benefit of the wider public sector. The intention is to identify innovative and collaborative Suppliers who will assist in achieving the authorities’ objectives.
   4. CPCA believes that this will be an excellent opportunity for those selected Suppliers to be involved at the forefront of delivering flagship projects which contribute to the UK’s net zero targets. The three local authorities participating in pilots are:
      1. West Midlands Combined Authority;
      2. Greater Manchester Combined Authority; and
      3. York and North Yorkshire Combined Authority;
   5. While CPCA does not have a prescribed specification for the services required from the Suppliers at this stage, it is envisaged that the selected Suppliers will be asked to support with the following outcomes:
      1. the creation of three investment strategies for each of the above Combined Authorities (which will require investment support and market engagement with potential investors);
      2. capturing lessons learned in the development of investment strategies and sharing the output of this exercise with the wider public sector (including the development of new resources, tools and other collateral, where the intention is that any intellectual property created will be shared with the wider public sector); and
      3. the design of a national programme in collaboration with the Department for Energy Security and Net Zero (“**DESNZ**”) and the Greater South East Net Zero Hub (“**GSENZH**”).
   6. The purpose of this pre-market engagement exercise is to enable CPCA to engage with prospective applicants for the DPS, by sharing CPCA’s aspirations for the programme and seeking input/feedback which will inform CPCA’s approach to the procurement process and resultant contracts.
   7. The first step within this process will be to hold a **pre-market engagement briefing event**. This event will provide an opportunity to learn more about the CPCA’s objectives for this procurement. This will be held via Microsoft Teams on **18 April 2024** between **15:00-17:00** **hrs** (UK time). CPCA intends to record the session and make this available together with a copy of the slides afterwards. Attendees will have the opportunity to ask questions and provide any initial feedback. Should you wish to attend this event, please email [chantel.allott@cambridgeshirepeterborough-ca.gov.uk](mailto:chantel.allott@cambridgeshirepeterborough-ca.gov.uk) with the following information: (i) the name of your organisation; (ii) the names/job titles of each attendee; and (iii) email addresses for each attendee.
   8. The second step will be to ask Participants to **respond to the questions set out in the questionnaire in Annex 2** of this briefing note. CPCA would ask that such responses are sent to CPCA via the e-tendering portal [Local Net Zero Accelerator – Finance Support Service PIN (due-north.com)](https://procontract.due-north.com/Advert?advertId=1b82d866-cfec-ee11-8127-005056b64545&p=f0e28573-d93a-eb11-8106-005056b64545) by **17:00 hrs** on **25 April 2024**. Any information/feedback shared with CPCA will be considered for the purposes of confirming the approach to the forthcoming procurement process.
   9. For the avoidance of doubt, where a Participant chooses not to participate in this pre-market engagement process, this will not prohibit such Participants from expressing interest in the DPS.
   10. CPCA may conduct further pre-market engagement activities including arranging one to one meetings with Participants if deemed necessary and depending on time constraints.
2. **Background**
   1. The Local Net Zero Accelerator Programme is being delivered by GSENZH.
   2. GSENZH is a regional, government-funded initiative that works with local authorities and other public sector organisations and their stakeholders. GSENZH supports the development and enables the financing of local net zero projects. These projects encompass local power generation, heat and buildings, transport and local energy systems.
   3. GSENZH also supports the delivery of government-funded local net zero programmes. These programmes include community energy development, net zero support for businesses, domestic retrofit (energy efficiency) schemes and support for the development of the domestic retrofit supply chain. GSENZH also aids the upskilling and upscaling of the domestic retrofit supply chain in the region through the provision of a dedicated procurement framework and by supporting a regional retrofit training network.
   4. GSENZH was formed in 2018, along with the four other regional Net Zero Hubs that cover England. Originally known as ‘Energy Hubs’, the name of the organisation has evolved to reflect the wider range of activities its members now support.
   5. CPCA acts as the accountable body for GSENZH. In this role, CPCA receives and holds responsibility for the grant funding that is provided by DESNZ to the Hub for its core operations, and for other programmes that the Hub delivers for the Department. Key decisions for the hub are taken by CPCA, acting upon the recommendations of the Greater South East Net Zero Hub Board.
   6. CPCA also acts as the operational host for the organisation and employer of the GSENZH operations team. It provides the Hub with the key services it needs to function, such as finance, legal, procurement and communications support.
   7. Further information about GSENZH, CPCA’s role and the support provided to members can be found at <https://www.gsenetzerohub.org.uk/about/structure-and-governance/>.
   8. CPCA has recently received £19.2m of funding from DESNZ. The first tranche of projects which CPCA envisages will be awarded via the DPS include the following:
      1. Two **Local Net Zero Accelerator pilots** (up to £12.42m): support for West Midlands Combined Authority (“**WMCA**”) and Greater Manchester Combined Authority (“**GMCA**”) to develop a place-based prospectus containing an aggregated bundle of projects and to test this prospectus with the market to identify a cohort of potential investors, which could then lead to securing private finance in a long-term sustainable way rather than one-off project funding. Learning from these pilots would be shared widely for application elsewhere. Critically, the pilots involve developing an aggregated bundle of projects across multiple net zero sectors, including projects that readily provide strong financial returns and those which provide weaker financial returns, making them difficult or impossible to finance commercially on their own, but for which it may be possible to attract commercial investment as part of a bundle. This is a concept which has not yet been tested at scale but could significantly reduce the cost to the public purse of net zero if successful, as well as generating local economic benefits, stimulating local green supply chains, by attracting increased commercial investment;
      2. **City Leap Replicator pilot** (up to £2m): to test whether Bristol’s City Leap model can be replicated in a second local authority, using York and North Yorkshire Combined Authority (“**Y&NYCA**”) as the pilot area, and at significantly reduced time/cost, to implement a “City Leap 2”. The City Leap model is a procured public-private partnership operating as a joint venture under a 20-year concession which provides a first right of refusal for decarbonisation activity across the council-owned estate. The replicator pilot offers a way to unlock capacity in local authorities to attract investment and accelerate the transition to net zero; and
      3. **Local Net Zero Finance Support Service pilot** (up to £3m): This service will provide the above-mentioned three pilots with access to relevant financial skills, knowledge, and experience to deliver programmes of work. It will reduce the reliance of the pilots on procuring expensive consultancy services and instead provide them with a centralised support service. This approach will help capture the learning for the wider public sector and ensure that they are widely shared. The service will support all of the above-mentioned three Combined Authorities with specialist commercial investment advice and training and will facilitate thinking about the skills needed going forward in this space for local authorities.
   9. In respect of the above pilots, the funding will be used to develop an investible package of projects for commercial investment. The funding is not intended to directly fund net zero projects, but will be used to leverage significant commercial investment in the following years.
3. **Role of Suppliers**
   1. As referred to in paragraph 1.5 above, CPCA does not have a prescribed specification for the scope of assistance required from Suppliers at this stage. However, CPCA hopes to refine its requirements and the structure of the procurement process in consultation with Participants during pre-market engagement.
   2. At this juncture, it is envisaged that Suppliers will be asking to provide the following types of support:
      1. to provide the Combined Authorities with access to specialist financial and related expertise, where the Suppliers will have the ability to think flexibly and creatively about solutions that will unlock net zero investments;
      2. use a delivery approach that works collaboratively hand-in-glove with the pilots, capturing data and adding insight, as opposed to a transactional consultancy model. Suppliers will identify synergies and opportunities for standardisation, and will facilitate collaboration and knowledge-sharing between the three Combined Authority pilots;
      3. deliver the services in a coordinated way, so that Combined Authorities can access the advice they need as directly and efficiently as possible, while simultaneously ensuring the Suppliers’ advice contributes to the programme’s body of knowledge and resources;
      4. employ a systematic approach to capturing data and producing insight, using the Suppliers’ understanding of the public sector environment;
      5. the Suppliers’ knowledge of and empathy with public sector capacity and competency gaps will be reflected in the design of engagement and dissemination plans; and
      6. create outputs (materials/collateral) based on experiences in delivery, for example training materials, resources, case studies, insights, evaluations, standardised tools and reports and analysis of the commercial case. These outputs will be shared openly, proactively and effectively with public sector stakeholders from across the UK in the interests of lowering barriers to local net zero investment, including posting outputs on platform(s) agreed with the procuring authority.
   3. The programme is expected to involve development of new resources, tools and collateral based on insights gathered. It will be a requirement that such resources can be shared for the benefit of the wider public sector and therefore the intention is that any intellectual property rights created during the course of the programme will be owned by CPCA. As such, Suppliers should not expect to retain ownership of intellectual property developed in delivering the services.
   4. It is anticipated that the DPS will be divided into the following categories:
      1. **Category 1 – knowledge management**.

Suppliers in this category will support the delivery of the Local Net Zero Programme objectives, in particular the development of resources for use by the wider public sector. Services may include:

Research

Content library management

Resource development

Case study development

Dissemination

Training development

Training delivery

* + 1. **Category 2 – consultancy**.

Suppliers in this category will deliver specialist advice services to support the development of investment-ready projects and programmes. Services may include:

Portfolio-level techno-economic analysis

Development of investment prospectus

Project-level techno-economic analysis

Project-level data collection

Advice on best practice in project development and de-risking

Proposals and business case development including use of HMT 5 Cases model

Social value and multiple benefits

Ad-hoc support and ‘critical friend’ for technical assistance

Technical due diligence

Corporate due diligence

Environmental due diligence

Evaluation, measurement and verification

* + 1. **Category 3 – public sector finance expertise**.

Suppliers in this category will provide specialist advice for public sector entities regarding finance for net zero measures. Services may include:

Public sector finance expertise

Public sector governance expertise

* + 1. **Category 4 – financial advisory**.

Suppliers in this category will provide financial advice related to specific net zero investments, projects and programmes. Services may include:

Commercial / business model development

Financial modelling and stress testing

Accounting and tax

Capital structures

Infrastructure finance

Public-private models, e.g. PFI, joint ventures, development and delivery vehicles

Identification and engagement with finance providers, deal-making and 'brokering’

Risk and insurance

Financial due diligence

Valuations

Consumer finance expertise

Community finance models

Carbon credits, offsetting and insetting

Secondary finance

* + 1. **Category 5 – legal services**.

Suppliers will provide legal advice related to net zero investments, projects and programmes. Services may include:

Commercial law

Property law

Contract drafting

Public sector legal advice

Intellectual property law

Regulatory compliance

* + 1. **Category 6 – procurement services**.

Suppliers will advise on and support procurement within net zero projects and programmes. Services may include:

Procurement strategy consultancy

Procurement framework development

Procurement legal advice

1. **Procurement process**
   1. At this juncture, CPCA is considering the establishment of a DPS to award individual contracts to reflect its (and the Combined Authorities’) requirements. However, CPCA may consider an alternative structure, depending on feedback obtained during pre-market engagement.
   2. At present, CPCA is considering following the structure/timeline set out below:

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| **Event** | **Preliminary timings** |
| Pre-market engagement | April 2024 |
| Contract notice published/procurement process commences | End of May 2024 |
| Deadline for clarifications for first round of DPS applications | Mid-June 2024 |
| Deadline for submission of first round of DPS applications | End of June 2024 |
| Evaluation of first round of DPS applications | Early July 2024 |
| Notification of outcome of evaluation exercise | Mid-July 2024 |
| DPS ‘go live’ | End of July 2024 |

* 1. The above timetable is currently in draft and therefore CPCA reserves the right to amend the above in due course.

1. **Scope of DPS and contracting approach**

***DPS customers***

* 1. It is currently envisaged that the three above-mentioned Combined Authorities will be utilising the DPS in the first two years of its duration as part of the Local Net Zero Accelerator programme. During this period the DPS will also be open to local authorities hosting Demonstrator projects under Innovate UK’s Net Zero Living: Thriving Places programme. . Thereafter, it is anticipated that the DPS will become available to further combined authorities and local authorities, further details of which will be included in the procurement documents at the point the procurement process commences.

***Contracting approach***

* 1. In terms of how the DPS will operate, CPCA intends to enter into a DPS agreement with each successful Supplier. The DPS agreement will include provisions including, but not limited to, any reporting requirements/management information required from the Supplier during the lifetime of the DPS and the ordering procedure to be used by DPS customers.
  2. At the point a DPS customer wishes to place a contract (an “**Order** **Contract**”) under the DPS, the customer will undertake a further competition amongst Suppliers listed on the category/categories relevant to that particular requirement/project. The customer will then enter into an Order Contract with the successful Supplier(s). Each Order Contract will constitute a separate contract between the relevant customer and successful Supplier(s).
  3. DPS customers may place a number of Order Contracts with differing Suppliers if a number of specialisms are required to support a particular project. This may require collaborative working between those Suppliers and therefore the DPS customer may require those Suppliers to enter into a collaboration agreement (a template copy of which will be included in the DPS agreement).
  4. Notwithstanding this, CPCA welcomes participation from entities who are able to offer the full range of competencies listed above, who may apply to be listed on a number of categories across the DPS.
  5. In addition to this, Suppliers may be asked to collaborate with other parties including local net zero hubs, DESNZ, other local authorities, and other entities delivering projects with Innovate UK under the Net Zero Living: Thriving Places programme. To that end, the above-mentioned collaboration agreement may be extended to such parties.
  6. As part of any such collaboration, Suppliers may be required to identify and draw lessons from net zero related investments taking place across the UK, including those taking place outside of pilot or innovation programmes, and may be asked to map relevant examples.

1. **Monitoring and management**
   1. It is intended that CPCA (as part of a multi-agency programme team coordinated by GSENZH) will adopt a management/monitoring role across those projects which are awarded under it. This may include the following activities:
      1. dedicated subject matter expert providing oversight and peer review of outputs;
      2. maintenance of a service specific risk register;
      3. monthly and end-of-project reporting; and
      4. regular feedback from Combined Authority clients.
2. **Disclaimer**
   1. CPCA is conducting this pre-market engagement exercise in accordance with the principles of equal treatment, non-discrimination and transparency as described within the Public Contracts Regulations 2015. With this in mind, CPCA’s aim is to ensure that the specification for each category within the DPS will not be designed to give direct or indirect advantages to any potential bidder and all information concerning the pre-market engagement process and procurement will be disseminated to all interested parties. It is the intention that no particular organisation will be in receipt of information which will not be available to all (save any information which is commercially sensitive to that party).
   2. Participants may request clarification of any issues within this briefing document which are not clear and are encouraged to highlight any errors, omissions or concerns which they believe may impact on the success of this pre-market engagement exercise. If CPCA considers that a query may have a material effect on the pre-market engagement exercise, all Participants will be notified.
   3. By participating in this pre-market engagement exercise, it will be deemed that Participants:
      1. acknowledge that information shared with CPCA may potentially be disclosed to third parties including the Combined Authorities, stakeholders, and advisors who have been appointed to assist CPCA with the procurement process. Participants are therefore asked to clearly state where information is considered to be commercially sensitive and where this is the case, CPCA will consider whether it is appropriate/necessary to disclose such information to third parties;
      2. confirm that they have not and will not: (i) canvass any staff member, or advisor to, CPCA or the Combined Authorities; (ii) discuss their participation in this exercise with the media; (iii) attempt to fix with any other person, the amount (including rates and prices to be quoted) of any prospective tender; (iv) enter into any agreement or arrangement with any other person that a person shall refrain from participating in this pre-market engagement exercise and/or any subsequent procurement process; and/or (v) offer, give or agree to give any inducement or rewards in respect of this prospective procurement;
      3. acknowledge that the costs of participating in this pre-market engagement exercise and/or any subsequent procurement process shall be borne by the Participant. CPCA shall have no liability for any costs incurred by Participants in participating in this process;
      4. acknowledge that CPCA has no liability for the accuracy, adequacy or completeness of any information provided; and
      5. acknowledge that CPCA reserves the right to keep a record of any clarification questions received and to circulate any responses to interested parties (again, to the extent that this does not reveal information which would be commercially sensitive to a particular party).
   4. For the avoidance of doubt, the above provisions shall not restrict any Participant in discussing its position with its professional advisors or prospective bidding partners. The Prior Information Notice and this document do not constitute a call for competition. Such documents have been produced solely for the purpose of conducting a pre-market engagement exercise and will not formally commence any procurement process or constitute any commitment by CPCA or the Combined Authorities to undertake any subsequent procurement exercise. CPCA reserves the right not to commence the procurement which is the subject of this pre-market engagement exercise and/or to revisit/amend any strategy or document shared with Participants concerning the forthcoming prospective procurement.

**Annex 1 – Glossary**

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| **Term** | **Definition** |
| Combined Authorities | means GMCA, WMCA and Y&NYCA |
| CPCA | Cambridgeshire & Peterborough Combined Authority |
| DESNZ | Department for Energy Security and Net Zero |
| DPS | means a dynamic purchasing system as described in Regulation 34 of the Public Contracts Regulations 2015 |
| GMCA | Greater Manchester Combined Authority |
| GSENZH | Greater South East Net Zero Hub |
| Participant | means an organisation who wishes to participate in this pre-market engagement exercise |
| Prior Information Notice | means the notice published in the UK’s e-notification service ‘Find a Tender’ publicising this pre-market engagement exercise |
| Suppliers | means the consultancy(ies) invited to enter into a DPS agreement with CPCA |
| WMCA | West Midlands Combined Authority |
| Y&NYCA | North Yorkshire Combined Authority |

**Annex 2 – Questionnaire**

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| **Your details** | |
| **Name:** |  |
| **Organisation you are responding on behalf of:** |  |
| **Postal address:** |  |
| **Contact email address:** |  |
| **Contact telephone number:** |  |

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| **Question 1** | **Scope of requirements** |
| Is the scope of CPCA’s requirement clear? If not, what further information would be helpful to provide in order for you to express an interest in participating in this procurement? | |
| **Response:** | |
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| **Question 2** | **Contracting approach** |
| Do you have any comments on CPCA’s intended approach to establish a DPS to regulate the contractual relationship between the Suppliers and Combined Authorities? | |
| **Response:** | |
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| **Question 3** | **Procurement structure/process** |
| Do you have any comments on the intended structure for the procurement process and/or CPCA’s intention to establish a DPS? | |
| **Response:** | |
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| **Question 4** | **Lessons learned from similar projects** |
| Has your organisation provided services of a similar nature previously and if so, are there any lessons learned which you would be willing to share with us? | |
| **Response:** | |
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| **Question 5** | **Transparency and intellectual property** |
| It will be a requirement that any Suppliers awarded contracts under the DPS will be obliged to transfer any intellectual property rights created in the course of conducting projects to CPCA and to ensure that all outputs produced are fully transparent, unrestricted and unprotected. Would you have any concerns with this requirement? | |
| **Response:** | |
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| **Question 6** | **Supplier competencies** |
| In light of the objectives CPCA has described in this briefing note, what (in your view) should be the competences of individuals leading the work with the Combined Authorities? | |
| **Response:** | |
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| **Question 7** | **Research activities/intelligence gathering** |
| What are the key publications, research workstreams and other sources of information that you would draw upon in designing and delivering the services? | |
| **Response:** | |
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| **Question 8** | **Supplier personnel qualifications** |
| Are you confident in being able to find appropriately qualified people for the specialist roles described? | |
| **Response:** | |
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| **Question 9** | **General comments** |
| Please provide any general comments, relevant information or other feedback on the proposed procurement. | |
| **Response:** | |
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