College Improvement Partner (CIP's) Programme

Tower Hamlets College

Project synopsis

The project was to establish the scope for 12 large London colleges, led by Tower Hamlets College, to identify and then develop with projects under the RE:FIT framework to improve energy efficiency. While four colleges initially expressed interest, participation diminished, as it proved impossible to find common ground that would give rise to projects of sufficient size (over £500,000) to take forward to feasibility study and then tender.

Project aims

The project aims were set out in the funding agreement as follows:

- The lead college will work with colleagues from the 12 London Capital Colleges and will at first hold a meeting designed to outline the RE:FIT project and to win support from participating Colleges to engage further with this initiative.
- The lead college will then provide project management support to the willing Colleges that have expressed an interest in the RE:FIT project in order to help them to produce a detailed feasibility study that will identify which College buildings are best suited for installation of Energy Conservation Measures through the LDA's RE:FIT framework. This feasibility study will have estimated capital costs and the estimated repayment period required to cover initial capital outlays from subsequent energy bill savings.
- The lead college will then work with the interested Colleges to prepare Invitations To Tender / Project Briefs in order to obtain more detailed preliminary energy efficiency proposals from RE:FIT Suppliers at no cost.
- Finally, the lead college will support interested College's to progress to commissioning an Investment Grade Proposal from the Energy Supply Companies, if any of the interested Colleges are prepared to take this step in the light of the earlier feasibility reports and preliminary energy efficiency proposals from RE:FIT Suppliers.

It was hoped that by working collaboratively the colleges would share ideas about energy efficiency – the particular issues each faced and what might be done in order to this. The purpose was to seek to identify areas of common ground where a joint approach to finding a solution would be beneficial to all involved and possibly lead to cost-effective investment in such a solution.

For the project to succeed there would be a need for colleges to share information about energy efficiency and costs, their current proposals for improving efficiency and possible plans for future investment. This would require openness and collaboration to a much greater degree than had previously been achieved, given that the semi-competitive nature of college operations.

It should also have brought about closer working between the estates teams from each college, where previously they have been operating solely focussed on their own estate, without consideration of what might be achieved collectively.

Project delivery

While the project was launched in April 2011 to representatives of all 12 colleges by the project lead (Ian Bond), initial interest only came from four colleges – the reasons for the lack of interest have not been fully researched, but they include a failure to appreciate the opportunities offered by the project and conflicting priorities within individual colleges as regards investment. While the experience of similar RE:FIT projects in other sectors was explained, this did not appear to be attractive to many of the colleges and there was an initial lack of clarity about exactly how the project would work and what commitment would be required. One way to improve this would be for there to be specific examples, particularly of an initiative that was implemented across two or more participants, to show how the minimum value constraint could be managed.

For the four colleges that did engage, the scope and potential of the project was gradually understood. The early meetings of the four colleges that did engage highlighted that they were very much feeling their way without a full appreciation of the potential for the project, but were the discussions resulted in the questions raised in June that addressed some of the fundamentals behind the project. These were collated by the project manager and sent to the LDA support team by the project lead. The responses from the LDA support team were received at about the time the project lead left the lead college and so were not communicated to the four colleges on a timely basis. This was unfortunate as it meant that the next meeting of the group was uncertain of progress which in hindsight probably led to increased uncertainty about the value of the project.

In launching this again, it would be important to have clarity about the expected commitment and benefit and to have a single clear model of how the project would evolve so that prospective participants could understand the implications. The better the understanding from the outset the more likely it is that the concept could be "sold".

It would also have helped to have a project lead in post for the duration and, failing this, at least to have managed an effective handover – this was not possible in the circumstances.

The other improvement that could have been made is to have re-launched the RE:FIT concept back to the senior representatives from the colleges (Finance Directors and Vice Principals) had there been sufficient progress about how this would benefit colleges. However as explained below it would now be difficult to do this as there is no credible project to use as an exemplar.

Project outcomes

By the time of the interim report issued in June 2011, a number of the risks that had already been encountered in the first phase of the project were highlighted, namely:

- That following the recommendations from the feasibility report into the likely cost benefits of participating in the RE:FIT initiative, it is possible that none of the four participating Colleges decide to proceed;
- The mechanism of identifying a preferred ESCO and then undertaking an Investment Grade Proposal is highly risky for the participating Colleges. They are far more comfortable about working collaboratively to identify savings from adapting their estates, and then commissioning their own preferred suppliers to undertake the work, than they are in working with one of the 12 ESCO companies, many of which the Colleges are wary of due to difficult past experiences;

- Changes in personnel that mean that the four participating Colleges become less aware of the project as new staff have to pick up the reins from where they have been left; and
- Competing demands upon the capital investment reserves of the participating Colleges may lead them to prioritise other aspects of capital investment which will provide a more immediate return by attracting additional learners and keeping the College a viable financial proposition.

In the summer of 2011 it was necessary to change the project lead (the incumbent, Ian Bond, left the lead college). A meeting was held in July as previously arranged with the colleges that remained interested. This was primarily to allow the new project lead (Roger Cottam, Vice Principal Finance & Resources at Tower Hamlets Colleg) to ascertain the current position and to determine a way forward. It was established that there had been a number of questions raised in June to the LDA support team, but the responses had not been communicated. This was followed up and the responses circulated to the four colleges for them to consider.

However it was not possible to reconvene until September to discuss the way forward, because the key participants from the four colleges were either on leave or heavily involved in the summer maintenance work programmes at their individual colleges.

At the project meeting in September two of the four colleges were uncertain about their willingness to continue and did not attend. Westminster Kingsway and Tower Hamlets Colleges discussed the response from the support team and felt that there were further areas requiring clarification, particularly about:

- The minimum value for any refurbishment work;
- The scope to work on a themed refurbishment across two or more colleges;
- The ability to work either with the nominated ESCOs or contractors with whom colleges already had established relationships.

This clarification was received, after some delay, at the end of October and was circulated to all four colleges. The responses helped to clarify the position, but by then only Westminster Kingsway and Tower Hamlets remained engaged and they met again in where it was agreed that as Tower Hamlets had identified a number of projects that might be compatible with the RE:FIT remit they would share these with Westminster Kingsway to ascertain whether there was enough common ground to take anything forward to the feasibility stage. They found only one area of common ground that might provide a themed refurbishment, but this was unlikely to be of sufficient size. Therefore there was no scope to move forward with the subsequent stages of RE:FIT and thus there has been little tangible impact users.

However, Tower Hamlets was engaged in a parallel project with the Carbon Trust, which was why it had a portfolio of potential projects. One benefit of RE:FIT has been the consideration of how these projects might be financed and particularly the scope to seek guarantees on pay-back for the projects that should result in energy efficiency and so cost savings.

There has also been regular communication with a technical adviser from Turner & Townsend Project Management Limited who has expressed continued interest in exploring opportunities with the London Capital Colleges.

Sharing of project findings
Unfortunately the project did not achieve its objectives and therefore in terms of positive outcomes there is nothing to share. However as noted above the learning from the project includes:

- Ensuring the project is properly defined and communicated from the outset;
- Having examples of how other sectors have made this work and particularly where two or more participants have combined to establish a single, multi-site project;

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