



European Union
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Smart Energy Greater Lincolnshire (SEGL) Summative Assessment

Headline Findings

August 2021

Content

1. Introduction
2. Evaluation methodology
3. Context and rationale
4. Programme performance
5. Covid-19 pandemic
6. Programme delivery – SME strand
7. Programme delivery – Public Building strand
8. Programme governance and management
9. Outcomes and impacts – SME strand
10. Outcomes and impacts – Public Building strand
11. Achieving objectives
12. Lessons learnt /recommendations

Introduction

- The Smart Energy Greater Lincolnshire (SEGL) Programme aimed to reduce energy use and carbon output in SMEs and public sector-owned buildings across Greater Lincolnshire
- It included two core strands of activity:

SME strand	Public Building strand
<p>Included 2 broad pathways:</p> <ul style="list-style-type: none">• energy efficiency audit and report followed by a Smart Energy Voucher (funding 38% of an energy efficiency project)• 12-hours support comprising a mixture of energy efficiency audits/reports, workshop attendance and advice/support, as well as access to a £500 energy voucher	<p>50% funding towards environmental efficiency works in public buildings across Greater Lincolnshire, examples being related to:</p> <ul style="list-style-type: none">• Lighting• Building Management Systems• Heating• Solar PV

- The Programme commenced in April 2018 and will complete on 30 September 2021
- NELC managed and delivered SEGL alongside its core partner, IfaS, whilst ENGIE also played a key role within the Public Building strand

Evaluation methodology

- Carney Green was commissioned in May 2020 to undertake an interim evaluation and summative assessment of the SEGL Programme

Core evaluation activities:

- Documentary review
- 22 interviews with key stakeholders
- Development of outcome indicators to test with beneficiaries
- Online beneficiary survey completed by 87 SME participants
- 1-2-1 interviews with 6 SMEs
- 1-2-1 interviews with 7 representatives of Public Building projects
- Development of 6 beneficiary case studies
- Review of 32 internal SEGL case studies
- Observation of SEGL delivery activities
- Engagement with national ERDF evaluators
- Detailed analysis of SEGL data
- Interim report and summative assessment report



Context and rationale

- The SEGL Programme was **developed and designed based on evidence of clear rationale and associated demand**, examples relating to:
 - national and local priorities
 - the existing public estate
 - the needs of SMEs across Greater Lincolnshire
 - gaps in existing provision
- The Programme **overcame significant challenges** to deliver high quality support, and associated outcomes, to SMEs and public buildings across Greater Lincolnshire – these challenges included:
 - absence of a mobilisation period
 - resource constraints
 - the Covid-19 pandemic
 - uncertainty within the SME community related to Brexit
 - the reduced availability of supplies/suppliers in Year 3
- Overcoming these challenges was primarily enabled by a balance of flexibility and robustness within the Programme – supported by **leadership and a commitment to continual learning and improvement**, evidenced by improved feedback from beneficiaries over the course of the evaluation

Programme performance

- At the time of the summative assessment report (Data up to 30.06.21) the **SEGL Programme had already achieved or exceeded its three contracted output targets, with further increases**

Output type	Achieved (30 June 2021)	Expected (30 Sept 2021)	Lifetime target	% of lifetime target to be achieved
C1 (enterprises receiving support)	248	256	235*	109%
C32 (decrease of annual primary energy consumption of public buildings, kWh)	10,169,578	10,169,578	9,247,432**	110%
C34 (estimated annual decrease of GHG, tCO ₂ e)	3,274.5	3,549	2,855**	124%

* The lifetime C1 target was reduced from its original figure via a PCR primarily due to the impact of Covid-19

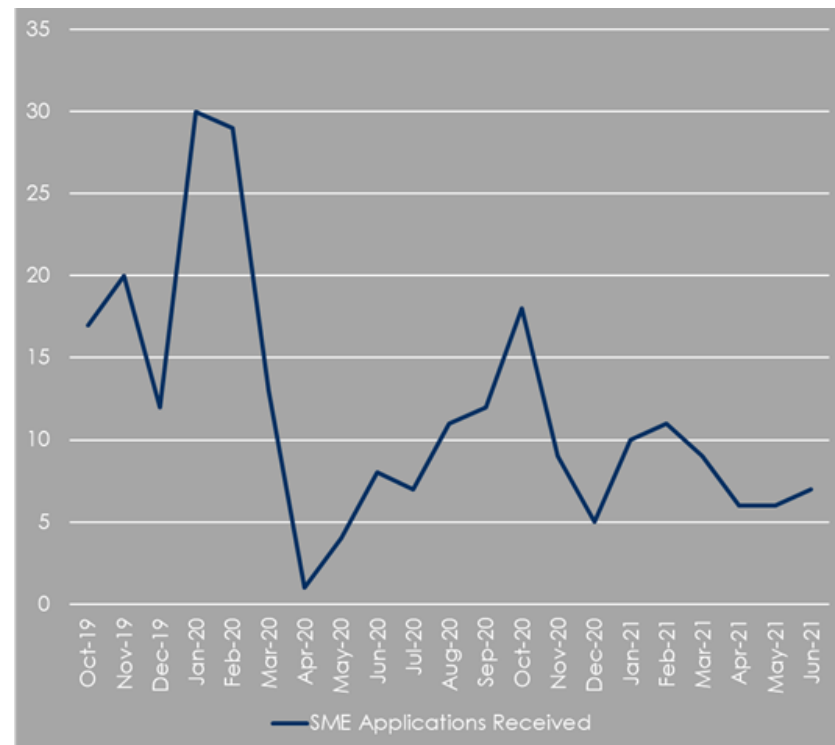
** The lifetime C32 and C34 targets were increased from their original totals due to overperformance

- Ultimately, **the Programme performed particularly well against its *outcome* targets (C32 and C34) compared to its output target (C1)**

Covid-19 pandemic

- Covid-19 represented the primary challenge within SEGL's lifetime
- The pandemic occurred as the SME strand was overachieving its quarterly output and expenditure targets – it led to a significant drop in applications and stalling of existing activity
- It also restricted SEGL's ability to deliver aspects of the Programme, for example on-site energy audits
- SEGL responded robustly, significantly adapting its management and delivery approach (e.g. virtual energy audits, webinars, revised marketing)
- Despite these efforts, SEGL did not receive the same number of applications as pre-pandemic levels – numbers increased to early autumn 2020 but reduced when the second lockdown occurred
- In contrast to SMEs, the pandemic had only limited effects on the SEGL's Public Building strand

SME applications to SEGL by month:



Programme delivery – SME strand

- SMEs welcomed the SEGL's 'end product', including the knowledge and information obtained via the energy audit, and the funding provided – this enabled improvements to SME premises and associated positive outcomes
- Whilst they received generally positive feedback, the SEGL's workshops/webinars were not particularly well attended – this was exacerbated by the pandemic
- Challenges within the SME strand primarily occurred as the caseload of SMEs increased during Year 2 – alongside limited resource, this led to a lack of responsiveness from the Programme Team towards a minority of SMEs, and considerable time taken to progress through the Programme
- The Programme responded positively to this by providing additional resource, streamlining processes, and implementing an account management approach
- The SME strand adapted its delivery following the outbreak of Covid-19, undertaking virtual audits and replacing workshops with webinars - feedback for the actual delivery of both these methods was generally positive

Programme delivery – Public Building strand

- SEGL's Public Buildings strand successfully funded 31 projects – covering a range of building types including town halls, libraries, museums/heritage centres, crematoria, office accommodation, leisure facilities, business centres and schools/colleges
- Many of the projects benefited from several different types of energy efficiency improvements, for example lighting, Building Management Systems, heating and solar PV
- The projects provided a series of positive impacts for the buildings, including carbon reduction, financial savings, improved facilities/working conditions, and enhanced energy monitoring and management
- Year 1 experienced a series of delays within the strand, mainly related to the procurement of contractors for the first wave of projects - the Programme would have benefited from a more extensive period of market testing prior to procurement commencing
- The strand progressed rapidly in Year 2, with subsequent phases of projects procured – this included lessons learnt from Year 1, whereby procurement took place by technology rather than by building

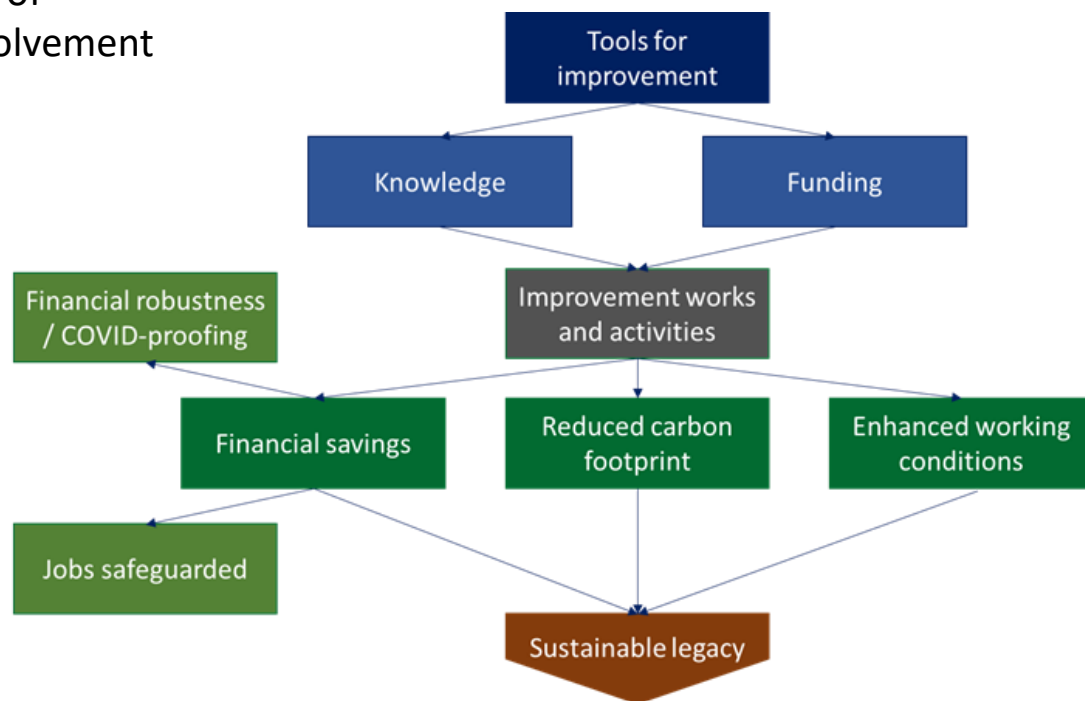
Programme governance and management

- The SEGL's Programme Board provided a range of technical, programme management and ERDF expertise, and was highly involved in the governance and management of the Programme
- In response to Covid-19, and also as the Programme drew towards its close, the Board met increasingly often, demonstrating significant agility
- Despite the lack of a permanent Programme Director until February 2019, SEGL benefited from robust management
- The day-to-day Programme Manager was the driving force behind SEGL and remained in post throughout – they were widely praised for their effective leadership and management, despite the challenges faced
- The management approach included clear and regular communication processes across the team, robust processes and systems, recognition of risks, and a willingness to improve

Outcomes and impacts – SME strand

- Most SME participants identified a series of positive outcomes as a result of their involvement in SEGL, broadly across 3 'tiers':
 - a) Enhanced knowledge to make decisions around energy efficiency, and financial assistance to implement these
 - b) Financial savings, reduced carbon footprint and enhanced working conditions - as a result of implementing improvements
 - c) Increased propensity to undertake future environmental efficiency activity - indicating longer-term thinking, changing behaviours and a sustainable legacy

SME strand - flow of outcomes:



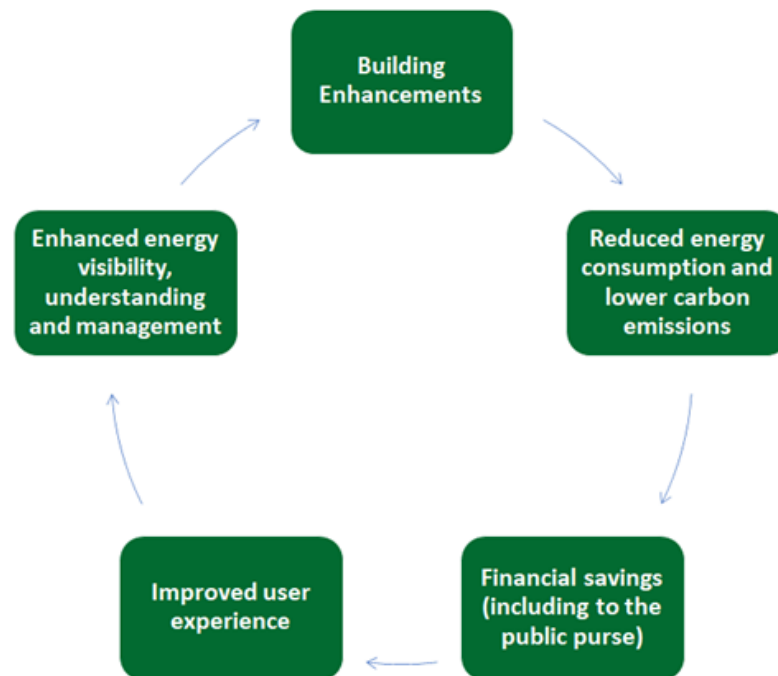
“Our electricity costs from June to the end of August this year were £15,200, compared to £26,143 for the same time last year – a saving of £10,943 for one quarter.”

83% of SME participants said their original expectations had been met, 14% said they had been partly met

Outcomes and impacts – Public Building strand

- Feedback from representatives covering 29 of the 31 Public Building projects identified several benefits from SEGL
- All referred to significant improvements to building facilities, for example by replacing dated and inefficient lighting/heating
- All respondents also either confirmed, or expected, reduced energy use – which was expected to (or had already) generate financial savings
- There were several examples of improved user experience (e.g. enhanced lighting in schools and improved heating in leisure centres)
- Whilst improvements demonstrated that the public sector is investing to reduce its carbon footprint, the extent of this demonstration was limited, partly by Covid-19

Public Building strand - circle of outcomes:



“The PIR sensors fitted in corridors, toilets and linked to outside lighting are not only more economical but have enabled the school to reduce its carbon footprint.”

Achieving objectives

- The Programme **performed well against its original objectives...**

Objective	Performance
Objective 1: Establish a one-stop-shop providing integrated focused support for businesses promoting energy efficiency and renewable energy	<ul style="list-style-type: none">• SMEs were provided with knowledge and tools to make decisions and take action regarding energy efficiency improvements• They also obtained a greater understanding of renewable energy and how to utilise this
Objective 2: To deliver innovative energy efficiency, smart energy management and renewable energy projects for public infrastructures	<ul style="list-style-type: none">• More public buildings received funding than originally anticipated, with wide ranging improvements taking place• Innovation was partly hindered by the financial restraints of the Programme, and the associated outputs required within this envelope

Lessons learnt / recommendations (1)

For NELC...

- Ensure SEGL's legacy is supported by continuing to implement the energy intelligence system and dashboard reporting within public buildings – incorporating additional training, engagement and support
- Consider utilising past (or existing beneficiaries) as part of delivery and marketing methods – e.g. workshop attendance by an SME that has successfully implemented energy efficiency measures
- Consider establishing separate (to the Programme Board) quarterly/bi-annual 'strategic advisory groups' for future interventions – this could include organisations such as the local Growth Hub/LEP, the Chamber of Commerce, and other local authorities – broadening engagement and strategic input
- Consider NELC future role as SME's reported they trusted the project as it was Council led

Lessons learnt / recommendations (2)

For organisations designing similar interventions...

- Incorporate a dedicated mobilisation period, of at least three months, to enable effective preparation and development before the requirement to actively deliver
- For most low carbon interventions supporting SMEs, the provision of grant funding is an important mechanism for encouraging initial engagement and assisting businesses to take initial steps
- Provision of a dedicated engagement officer/service represents an effective means of supporting businesses to convert their interest into actual engagement - enabling a more bespoke and personal approach to engagement and support
- An account management approach should be encouraged when supporting SMEs, who welcome a single point of contact and effective communication – this also promotes dedicated responsibility for individual SMEs within the delivery team
- Future interventions involving energy efficiency (or similar) audits and workshops could consider a ‘parallel’ approach, whereby a proportion of these are undertaken virtually/online - as technological advancements continue, this approach should become increasingly viable

Lessons learnt / recommendations (3)

For policy makers...

- Consider delivering longer-term interventions, given the significant mobilisation and ‘wind-down’ periods many projects incorporate – short-term (3-year) funding generates a ‘stop-start’ culture
- Demand will continue regarding energy efficiency improvements within the public estate – different funding criteria may be required to ensure enhancements are made to more complex/older buildings, which can be unviable within some funding regimes
- To ensure more businesses undertake energy efficiency improvements, there may be a need for increased regulation alongside funding provision (i.e. ‘push’ as well as ‘pull’ factors)
- Wherever possible, funding-based targets should increasingly focus on achieving outcomes rather than outputs; outcomes demonstrates the impact of support, rather than the volume of delivery – furthermore, a focus on delivering 12 hours’ support is not always appropriate
- Interventions should avoid contradictory targets wherever possible - within SEGL the C1 target had the potential to conflict with the C34 target
- The requirement for ‘wet’ signatures from beneficiaries is not ideal in terms of the efficient use of resource/time, or in relation to environmental sustainability



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