



**Glasgow City Council**

**Contracts and Property Committee**

**Report by Director of Legal and Administration**

**Contact: Maureen Fitzpatrick    Ext: 76406**

**Item 6**

**27th February 2025**

**The Provision of Financial Services relating to the  
Council's Model for Climate Investment**

**Tender Reference: - GCC006299CPU**

**Purpose of Report:**

To submit details of the tenders received for the provision of financial services relating to the council's model for climate investment and recommend acceptance of the most economically advantageous tender as detailed in this report.

**Recommendations:**

The Contracts and Property Committee is requested to approve the award of a contract for the provision of financial services relating to the council's model for climate investment to the consultancy listed below.

PricewaterhouseCoopers LLP  
Companies House Number – 303525

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐    consulted: Yes ☐ No ☐

## **1 Background and Tender**

- 1.1 Glasgow City Council's ("the council's") budget for the provision of financial services relating to the council's model for climate investment is £600,000.
- 1.2 The council is exploring ways of taking forward its ambitions around heat decarbonisation (as identified in the council's Local Heat and Energy Efficiency Strategy (LHEES) and net-carbon zero projects in both its own area and the wider Glasgow city region. The approximate value for the City Centre and South Zone (as detailed in the LHEES) is anticipated to be in the region of £1bn (based on costs of works already completed for heat networks around the city). The council is also planning complementary work on related climate and sustainability projects to help fulfil the council's key net-zero policy objectives.
- 1.3 As shown in the council's LHEES, which provides a clear direction for decarbonising heat and improving building efficiency in the city, the council is interested in establishing a long-term partnership (or partnerships) with at least one private sector partner to deliver a portfolio of projects over a long-term programme. As a minimum, a joint venture and/or concession arrangements will be explored and procured, if considered appropriate.
- 1.4 The council is also exploring the creation of a Climate Investment Vehicle; this is expected to be a city level investment fund not managed by the council but driven by the Net Zero Targets as set out in the city level Climate Plan. The full details of the model will be established based on available models.
- 1.5 The exact nature of any partnership and investment vehicle, and the extent of the projects they might deliver, are the subject of ongoing refinement and will require input from legal, financial and technical advisors once appointed. There is no one-size-fits-all approach, and it is important that the council clearly articulates what the city and City Region want to achieve; what assets are identified as suitable for development; and what are the red-line areas for the council in terms of scope. A critical part of the project will be consideration of additional social value, community involvement and ensuring a Just Transition.
- 1.6 In order to meet the city's targets and address the climate emergency, the council is seeking to appoint a consultancy to provide specialist external financial support services to identify the most expedient and efficient route for Glasgow to deliver the LHEES, with the key outputs being the development of a Green Book-compliant Strategic Business Case, Outline Business Case, and Full Business Case. In addition this advice is the first step to mobilising external private sector funding to ensure that the city is progressing towards the council's Net Zero ambitions.
- 1.7 A commodity team consisting of stakeholders from the Chief Executive's, Legal Services, Financial Services, and Corporate Procurement Unit (CPU) was formed to develop the sourcing strategy and deliver a new contract.
- 1.8 In line with the effective and efficient objective within the council's Sustainable Procurement Strategy 2023-2027, which can be located [here](#), and to support

the national agenda in utilising national collaborative frameworks, it was agreed that a mini-competition process from Lot 4 - Finance, of Crown Commercial Service's (CCS) framework for 'Management Consultancy Framework Three (MCF3)', reference RM6187, would be the most appropriate method to deliver this contract.

1.9 The duration of the contract is for 2 years with the option to extend for a period of up to 24 months.

1.10 The contract will be utilised by the Chief Executive's department.

## 2 Evaluation

2.1 23 consultancies on Lot 4 of the CCS framework were invited to bid. Of the 23, 6 submitted a bid. Of the 17 that failed to respond, 2 cited the project was not suitable for their organisation, and the remaining 15 consultancies declined to provide a reason.

2.2 The award evaluation was based on the following criteria and weightings:-

Criteria	Weight	Sub Criteria
Quality	70%	Project Specific 65%
		Fair Work First (including the Real Living Wage) 5%
Commercial	30%	Fixed Fee for the Completion of a robust Treasury Green Book compliant Outline Business Case (Economic Case and Financial Case) – 5%
		Partner – 7%
		Managing Consultant/Director – 6%
		Principal Consultant/Associate Director - 5%
		Senior Consultant/Engagement Manager/Project Lead – 4%
		Consultant – 2%
		Analyst/Junior Consultant - 1%

2.3 The evaluation of award scoring of the consultancy which has been recommended for award is shown in the table below:-

Consultancy	Total Evaluation Score	Rank
PricewaterhouseCoopers LLP	89.86	1

A summary of the unsuccessful tender evaluation results can be found at Appendix A.

### **3 Contract Implementation and Supplier Management**

- 3.1 The outcome of our Contract Management Assessment Tool (CMAT) has deemed this contract to be categorised as a medium. The consultancy will be monitored in line with our contract and supplier management process which includes tracking the consultancy's performance against the key performance indicators and working collaboratively to identify opportunities of improvement and innovation.
- 3.2 The agreed community benefits outcomes commitments will be monitored via Cenefits which is a web based monitoring tool. We will also capture sustainable commitments within the CPU Sustainable Register.
- 3.3 The contract will commence immediately upon award.

### **4 Policy and Resource Implications**

#### **Resource Implications:**

##### *Financial:*

The council has a budget of up to £600,000, over the four-year duration of the contract, if the 24-month extension period is required.

The contract will be awarded based on the consultant's tendered rate card, and fixed fee for the completion of a robust Treasury Green Book compliant Outline Business Case (Economic Case and Financial Case).

Services will be called off, as and when required, in line with the consultant's implementation plan.

The contract spend will be met by the service area's capital budget. The full £600,000 budget spend is not guaranteed.

##### *Legal:*

The report raises no new legal issues.

The Director of Legal and Administration will be responsible for concluding the contract.

##### *Personnel:*

No direct personnel implications.

##### *Procurement:*

A mini-competition as set out in paragraph 1.8.

**Council Strategic Plan:**

This supports Grand Challenge 3, Fight the climate emergency in a just transition to a net zero Glasgow, and Mission 2, Become a net zero carbon city by 2030.

**Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2021-25*

Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

*What are the potential equality impacts as a result of this report?*

An EQIA screening has been completed and the requirement for an EQIA will continue to be monitored as the project progresses.

*Please highlight if the policy/proposal will help address socio economic disadvantage.*

Fair Work First was included as part of the award criteria with a weighting of 5%.

The consultancy recommended for award, PricewaterhouseCoopers LLP, has confirmed the following 7 policies within its tender submission.

- Payment of at least the Real living Wage
- Provide appropriate channels for effective workers voice
- Investment in workforce development
- No inappropriate use of zero-hour contracts
- Action to tackle the gender pay gap and create a more diverse and inclusive workforce
- Offer flexible and family friendly working practices for all workers from day one of employment
- Oppose the use of fire and rehire practice

Community Benefits were included as part of the tender process. The consultancy recommended for award, PricewaterhouseCoopers LLP, has confirmed the following outcomes:

2 x Career Event  
2 x Workplace Visit

2 x Community Engagement - Non-Financial Support (min. 5 hrs.)

**Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

The over-arching project is designed to support the entire Climate Plan, but specifically actions 6 and 8 are supported via this contract.

*What are the potential climate impacts as a result of this proposal?*

The LHEES, of which this contract is a part, is designed to take forward the council's ambitions around heat carbonisation and net-carbon zero projects in both its own area and the wider Glasgow City Region.

*Will the proposal contribute to Glasgow's net zero carbon target?*

Yes as above.

**Privacy and Data**

**Protection impacts:**

No data protection impacts identified.

**5 Recommendations**

The Contracts and Property Committee is requested to approve the award of a contract for the provision of financial services relating to the council's model for climate investment to the consultancy listed below.

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## Appendix A – Unsuccessful Consultancies

Consultancy	Total Evaluation Score	Rank
Deloitte LLP	81.87	2
BDO LLP	80.66	3
KPMG	77.31	4
Accenture (UK) Limited	77.01	5
Grant Thornton UK LLP	72.47	6