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Planning

Retrofit Credits Service

London Borough of Hammersmith and Fuham

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-019496

Procurement identifier (OCID): ocds-h6vhtk-05097d

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Changes to notice

This notice has been edited. The [previous version](#) is still available.

Further detail on the pre market engagement process

Scope

Description

Summary

London Borough of Hammersmith and Fulham Council (the “Council”) is publishing this Preliminary Market Engagement (PME) notice to understand whether there are any organisations in the market, capable of supplying the Council with a “retrofit credits” service: a type of carbon credit for retrofitting social homes. This service would provide the Council with a source of income from selling retrofit credits to buyers of carbon credits.

Background

The Council manages around 17,000 homes and has a target for the borough and the assets under the Council’s control to achieve net zero. This requires retrofitting these homes with energy efficiency measures and low-carbon heating at scale; a mission not fully covered by existing council budgets or government grant funding.

The Council therefore wishes to understand what alternative sources of funding may be available.

This PME seeks responses from suppliers of “retrofit credits”, a form of carbon credit, to understand how well developed the market for these is.

Outline of the Service Being Sought

The service would aim to unlock investment in social housing retrofit projects by verifying emission reductions and social value from these projects and creating carbon credits backed by these reductions to be sold to investors. This service would enable the Council to access funding for retrofit activities that improve energy efficiency and reduce carbon emissions, whilst also generating social value for residents and communities.

Expected Benefits of this Service

Reducing Council Costs of Delivering Retrofit – Generates additional income through the sale of credits, making retrofit projects more economically viable.

Accelerating Delivery of Energy Efficiency – By subsidising the cost of delivery, more homes can be reached, and the Council’s aims around fuel poverty and net zero can be attained sooner.

Social Value and Wider Business Case – As the programmes improve the wellbeing of residents by creating warmer, healthier homes, more of this positive impact is measured and captured through, presenting a stronger business case for investment.

Local Sustainable Economic Partnership – Stimulates demand for green technologies and services locally and fosters relationships with local businesses who may become buyers of the Council’s retrofit credits.

Key Requirements for a Retrofit Credit Service

Accreditation – The service must be accredited under a high-quality carbon standard e.g. the Verified Carbon Standard, or similar level of accreditation.

Specific to Housing Retrofit Projects – The credits must be tailored to housing retrofit projects and measures that improve energy efficiency, and encompass a wide range of housing interventions that reduce energy use and carbon emissions. For instance, these should include any measures that increase the fabric thermal efficiency of a building and replacement of heating systems, lighting and other fixed hardware that reduce energy use.

Reporting and Verification of Projects – The reporting and verification process must be sufficiently simple and non-resource-intensive for Councils, ideally following the kinds of data and certification already required for reporting to government for grant-funded schemes. Data requirements and certification of schemes should not be onerous and should require the minimum input needed to be robust.

Backdating of projects: The service should if possible allow the council to submit projects already undertaken in the past as credits, dating back to the origin of the service's accreditation.

Emission Reduction Calculation – The credits must follow a valid and well-established methodology to calculate potential emission reductions and projected funding from projects.

Social Value Assessment – The credits must measure the social value generated by retrofit works using a valid and well-established methodology.

Management of Sales Process – The sale of credits is to be managed by the supplier, with only reporting and certification of projects a responsibility of the Council. The supplier must ensure all compliance with standards and regulations are met.

Vetting of Buyers – The supplier must manage the sale of these credits to pre-registered buyers. Buyers must be vetted to ensure they show commitment to reducing their own emissions in line with the Paris Climate Agreement, to avoid the risk of credits being used as an “easy” way to claim carbon neutrality instead of reducing emissions directly. There must be a due diligence framework for all buyers allowing the Council to conduct its own due diligence and engage only those buyers who meet its procurement and ethical standards. Credits must only be sold bilaterally to vetted buyers through the supplier's platform and not be sold on through the open market. Being able to identify buyers local to the borough or region with whom the Council can develop a longer-term relationship would be advantageous.

Value of Credits – The price of credits needs to be sufficient to incentivise the Council to undertake additional retrofit works.

Flexibility – The service must offer flexibility for the Council to switch to an alternative carbon credit supplier, if a more competitive offer becomes available, to retire credits from the scheme for future years, and to retain credits for our own use if desired. The service should be flexible to the number of projects the council can offer and not tie the council into delivering a set number of measures within a given period.

Compatibility with Other Funding Sources – The service must ensure compatibility with the Warm Homes: Social Housing Fund and other sources of grant and investor funding, so that credits can be used as co-funding to meet the balance of eligible expenditure not supported by grants.

Total value (estimated)

- £562,500 excluding VAT
- £675,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 1 September 2025 to 31 December 2029
- 4 years, 4 months

Main procurement category

Services

CPV classifications

- 66000000 - Financial and insurance services

- 71313400 - Environmental impact assessment for construction
- 71313420 - Environmental standards for construction
- 71313440 - Environmental Impact Assessment (EIA) services for construction
- 71314000 - Energy and related services
- 71312000 - Structural engineering consultancy services
- 71314300 - Energy-efficiency consultancy services
- 71315200 - Building consultancy services
- 90700000 - Environmental services
- 90714000 - Environmental auditing
- 90731700 - Carbon dioxide monitoring services

Contract locations

- UKI33 - Kensington & Chelsea and Hammersmith & Fulham

Engagement

Engagement deadline

20 May 2025

Engagement process description

London Borough of Hammersmith and Fulham Council (the “Council”) wishes to understand answers to the following questions:

1. Does your organisation offer a service which fully meets all the requirements of the

scope, set out in this notice? If so, please provide any materials you have available, which outline the service you provide, as an attachment to your email.

2. If your organisation offers a service which meets most of the requirements of the scope as set out in this notice, in no more than 500 words, please provide details of any areas you are unable to meet fully, for the Council's consideration.

This Preliminary Market Engagement (PME) notice is being used to enable the Council to understand key details from the market. It is intended that the outcome of this PME will be used to further inform the Council's procurement, service, and contract model, but the Council is under no obligation to any potential Supplier and/or makes no guarantees to any party, resulting from feedback received to this PME.

If your organisation is interested in this opportunity and believe they could provide the requirement to the Council, in line with the Scope set out above, please register on <https://www.capitalesourcing.com/web/login.shtml>

This PME must not be considered as confirmation by the Council that any future procurement opportunity will be forthcoming as a result of any activity undertaken as part of the Council's PME. The Council does not bind itself to running a procurement, or awarding any resultant contract, following the conclusion of this PME.

In accordance with the requirements of the Procurement Act 2023, the Council is committed to conducting this PME in such a way that it does not put a supplier at an unfair advantage or disadvantage. The Council will not adopt any technical advice in the preparation of any procurement activity from anyone where this may prejudice this requirement or otherwise distort competition.

Participation

Particular suitability

- Small and medium-sized enterprises (SME)
 - Voluntary, community and social enterprises (VCSE)
-

Submission

Publication date of tender notice (estimated)

2 June 2025

Procedure

Special regime

Concession

Contracting authority

London Borough of Hammersmith and Fuham

- Public Procurement Organisation Number: PHTW-6333-BQGD

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Organisation type: Public authority - sub-central government