

Good practice factsheet

Core Theme 5

London Energy Efficiency Fund (JESSICA) in the UK

Core Theme and topic	Improving the effective use of EU Structural Funds Funding technical assistance good practices and experiences
Name of work programme/project	London Energy Efficiency Fund (LEEF) - UK
Project scope and description	
Short description of the programme & what it hopes to achieve	<p>The £100 million London Energy Efficiency Fund (LEEF), will focus on investing in energy efficiency retrofit to public sector buildings, including:</p> <ul style="list-style-type: none"> a) The adaptation and/or refurbishment of existing public and/or voluntary sector buildings (e.g. Local Authorities, universities, hospitals, schools) to make them more energy efficient, sustainable and environmentally friendly b) Improvements to existing social housing properties to make them more energy efficient (with a cap of c. £11m) <p>The fund provides repayable investment finance; loans must therefore be repaid in full plus an interest element. The fund will target investments of between £3-10m and will encourage project sponsors to consider how best to achieve economies of scale, for example, by grouping buildings or eligible parts of broader refurbishment projects together.</p> <p>LEEF is a sustainable investor, targeting a socio-economic return as well as a financial return on investment. Projects supported by LEEF should help deliver the fund's overall carbon reduction targets. Each project should therefore aim to deliver:</p> <ul style="list-style-type: none"> a) Energy Savings Ratio of at least 20% compared to conditions prior to investment b) Each £1500 LEEF Investment should achieve a reduction of at least one tonne CO₂ <p>There is no set payback period required, but the fund will focus on short term development loans and medium term 5-10 year loans in line with the anticipated payback period. Longer investment periods will be considered on a case by case basis.</p> <p>The fund has an interactive application process designed to streamline proposals and to help them meet the above criteria. It also builds on existing schemes, such as the Mayor of London's RE:FIT scheme.</p>
What is the scope of the project? e.g. - National/regional/local - Building type/owner	Regional project (a loan fund for building energy efficiency) for Greater London aimed mainly at commercial building owners, but also with a small allocation for social landlords.
Who are the key people involved? e.g.: - Installers - Local Authorities	Fund managers, local authorities, commercial building owners
Who was the target audience?	As above

How was this work programme/ project financed?	JESSICA funds (£100 million initially, which was split in half). £50 million of JESSICA in LEEF was then matched by private sector investment from a bank (RBS).
What was the cost of the work programme/project?	Funding available until the loan pot is used up. Amounts as above.
When did it start and end?	The fund opened in summer 2011.
Project Outcomes & Communication	
What were the key achievements?	Fund only recently opened – not clear yet
What were the outcomes and expected benefits?	Part of Mayoral ambition in London Climate Change Strategy to deliver a 60% carbon saving by 2025.
What were the key lessons learned?	Fund only recently opened – not clear yet
Is there anything you would do differently in future?	n/a – project not yet completed.
What makes this a good practice example?	The project is the first use of JESSICA funds in the UK and has successfully raised private sector match funding for the JESSICA investment. The application process and support available are also geared towards ensuring high levels of success.
Web links to further information	http://www.leef.co.uk/
Contact details of named person for further information	andy.deacon@est.org.uk
Please indicate if you can give a short (15 minute) presentation at a Plenary Meeting or other event	Yes (presented at Warsaw Plenary Meeting)
Please indicate if this case study can be made available to the public?	Yes