

## TRUST BOARD

25<sup>th</sup> July 2013

<b>TITLE</b>	<b>Improving Energy Efficiency through application for funding to the NHS £50 Million Capital Improvement Initiative</b>
<b>EXECUTIVE SUMMARY</b>	The purpose of this paper is to brief the Board on a further investment opportunity for the Trust, by making an additional application to the energy efficiency capital improvement fund initiative, through the Department of Health. The Trust has already been successful in securing £1.4m investment for three projects. The Department of Health has invited the Trust to bid for more funding due to the quality and success of the three successful bids.
<b>BOARD ASSURANCE (Risk) IMPLICATIONS</b>	There is a risk if the capital investment is not spent by 31st March 2014. However, this will be mitigated by delivering to a planned programme of works, complete with key milestone dates.
<b>LINK TO STRATEGIC OBJECTIVE</b>	<b>SO4:</b> To improve the productivity and efficiency of the Trust in a financially sustainable manner, within an effective governance framework.
<b>STAKEHOLDER / PATIENT IMPACT AND VIEWS</b>	The initiative has been communicated as part of the sustainability staff communication and engagement plan. This further bid will also contribute to improving the building services environment for the patient.
<b>EQUALITY AND DIVERSITY ISSUES</b>	None
<b>LEGAL ISSUES</b>	Compliance with the NHS Carbon Reduction Strategy is a mandatory requirement.
<b>The Trust Board is asked to:</b>	Note the report and approve the commitment to the bid application
<b>Submitted by:</b>	Simon Marshall, Director of Finance and Information
<b>Date:</b>	25 <sup>th</sup> July 2013
<b>Decision:</b>	For Approval

## Improving Energy Efficiency through application for funding to the NHS £50 Million Capital Improvement Initiative

### 1. PURPOSE OF PAPER

The purpose of this paper is to seek approval from the Trust Board for a further application to the Department of Health (DOH) Improving Energy Efficiency in the NHS £50m Capital Improvement Initiative.

### 2. INTRODUCTION

In January 2013 the DOH announced the intention to establish a £50m capital fund in 2013-14 for the NHS to improve energy efficiency across the NHS. The aim is to support organisations to further achieve energy and carbon reductions as set out in the NHS Carbon Reduction Strategy for England (CRS).

The CRS also recommends the NHS to become a leading sustainable and low carbon organisation, identifying a 10% reduction by 2015 as an ambition for the NHS.

The fund is for new and innovative projects to improve energy efficiency and reduce the carbon footprint by reducing energy usage, carbon emissions and improving resilience to climate change. Projects that are successful in securing funds will help the DOH in the development of best practice guidance and evidence for further use across the NHS.

Another key requirement for the application is the Trust will need to demonstrate that the savings from the funded schemes will be reinvested into patient care.

The Trust has already secured £1.4m for the funding of the following three projects:

1. The replacement upgrade and expansion of a 25 year old Building Management System (BMS) for both sites.  
Bid value £654K, Potential savings £137k per annum.
2. The replacement and upgrade of fluorescent lights with high efficiency fittings across both sites, that include both occupancy and light level sensing facilities to maximise periods that lights are switched off  
Bid value £228k, potential savings £45k per annum.
3. The replacement and upgrade of old and inefficient mechanical ventilation systems  
Bid value £540k, potential savings £110k per annum.

Total bid value £1.422m, Total potential savings £292k

#### **4. ADDITIONAL FUNDING OPPORTUNITY**

The Trust's older heating, ventilation and air conditioning (HVAC) motor systems are usually over specified and are not operating energy or operationally efficiently. The proposed project is for the replacement of old inefficient motors and the addition of variable speed drives and associated controls to major pumps and fans in the HVAC systems. This is good practice and will ensure that systems operate at optimum speed, maximum efficiency thus minimising energy consumption, while maintaining occupant comfort or process requirements.

It is estimated that when the project is completed that there will be an annual saving of £77k as well as the CO2 reductions.

#### **5. TRUST COMMITMENT**

The reinvestment of savings from reduced energy consumption into patient care is an integral part of this DOH initiative. Therefore, it is proposed that re-investment of revenue savings from these schemes would support:

- Development and improvement of the Trust's Emergency Care Pathway through the reinvestment in pathway improvement and 7 day working initiatives.

This high profile workstream is focused on significantly improving the patient experience within the Trust and will require revenue to support the project.

#### **6. CONCLUSION**

The Trust has been successful in being securing £1.422m funding from the Department of Health improving Energy Efficiency.

There is a further opportunity to apply for £246k of investment to upgrade major HVAC pumps and fans motors with energy efficient variable speed control systems. This project would further compliment the funds already secured.

If successful the Trust would receive a final total of £1.668m investment into energy saving schemes that would reduce the carbon footprint, save revenue, improve the patient environment and reduce backlog maintenance.

#### **7. RECOMMENDATION**

The Board is asked to note the contents of this report and approve the commitment to the bid application.