23 January 2013

All NHS Chief Executives
All NHS Directors of Finance
All NHS Estates & Facilities Directors

Improving Energy Efficiency in the NHS £50 Million Capital Improvement Initiative

The Parliamentary Under Secretary of State for Health, Dr Dan Poulter MP, has announced his intention to establish a £50m capital fund in 2013-14 for the NHS to improve energy efficiency across the NHS, supporting organisations to further achieve energy and carbon reductions as set out in the NHS Carbon Reduction Strategy for England (CRS).

The provision of NHS healthcare services is highly specialised and energy intensive. Hospitals are open 24 hours a day, 365 days per year. The NHS has one of the largest estates in Europe, covering 6,886 hectares of land with 28 million sq.m of floor space and costing a reported £583 million in consumed energy in 2011-12. This makes energy consumption a major consideration for NHS organisations in terms of budgetary availability when focusing on additional cost for front line patient services.

The NHS Carbon Reduction Strategy for England (CRS) sets an ambition for the NHS to help drive change towards a low carbon society. The strategy shows the scale of reduction in carbon the NHS aspires to contribute towards the UK target, which commits the UK to an 80% reduction in carbon emissions by 2050. The CRS also recommends key actions for the NHS to become a leading sustainable and low carbon organisation, identifying a 10% reduction by 2015 as an ambition for the NHS.

Projects that are successful in securing funds will help the Department in the development of best practice guidance and evidence for further use across the NHS and to demonstrate what is being achieved in pursuit of the CRS.

The application process is now published on the DH web site and can be accessed by following the link: http://www.dh.gov.uk/health/tag/energy-efficiency. The fund is for new and innovative projects to improve energy efficiency and reduce the carbon footprint of the NHS by reducing energy usage, carbon emissions and improving resilience to climate change.
Yours faithfully

David Flory
Deputy NHS Chief Executive
Annex A

Timetable

Week Commencing 21 January 2013
Stage One “Expression of Interest” application for bidders issued on the DH website

By 28 February 2013
Deadline for Stage One “Expression of Interest” application to be submitted

By 4 April 2013
Stage One evaluation “Expressions of Interest” bids complete and announced

By 8 May 2013
Deadline for Stage Two applications to be submitted via email

By 14 June 2013
Stage Two evaluation ‘detailed bids’ complete and notification of successful applicants. Including release of full/staged capital allocation to enable projects to commence.

By 28 June 2013
PS(H) NHS Energy Efficiency initiative launch

In July 2013
Evidence and information gathering commences

By 31 March 2014
Schemes completed

By 30 Aug 2014
Trusts to submit their report to the Department

By September 2014
Department publishes initial evidence and findings from Schemes

By 31 March 2015
Department publishes national best practice guidance derived from the evidence and findings of the energy efficiency schemes.
Key Contacts

General queries - EnergyCapital@dh.gsi.gov.uk

Regarding the criteria including NHS policy and technical estates elements: Steve Purden, steve.purden@dh.gsi.gov.uk,

Regarding the financial elements: Michael Bellas, Mike.bellas@dh.gsi.gov.uk

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