

## SFT Outcomes Demonstrating progress with impact



2020 CASE STUDY

### Outcome 10



Infrastructure-related carbon dioxide and other greenhouse gas emissions are reduced, supporting Scotland's transition to a low carbon economy

### Non-Domestic Energy Efficiency

#### *Delivery of award-winning procurement framework*

To help Scotland's public bodies meet their net-zero carbon requirements and improve the energy efficiency of the buildings they own, a robust and commercially viable delivery mechanism was needed that would not only deliver improvements but secure cost and carbon savings.

To meet that goal, the Scottish Futures Trust (SFT) worked with many stakeholders including Scottish Government's Energy and Climate Change Directorate, Scottish Government Procurement, Scottish Government Health and Social Care Directorate, NHS Scotland, Scottish Funding Council, Eurostat along with private sector partners, developed and delivered the **Non Domestic Energy Efficiency (NDEE) Retrofit Framework**.

SFT supported Scottish Government in the development and delivery of the NDEE Framework and related project support unit (PSU) by project managing the procurement governance process, supporting Scottish Government colleagues in implementing key policy requirements aimed at securing energy efficiency benefits and outcomes as well as leading on the development and delivery of the technical, commercial, legal, technical and financial aspects of the Framework process

More recently, SFT's work involved obtaining in principle, approval from ONS and Eurostat for the revenue funded EPCs to be classified as 'off-budget', thereby allowing public bodies with limited capital or no borrowing powers a means of implementing energy efficiency measures using revenue funding.

The framework is now live and is allowing public bodies take forward their energy efficiency retrofit projects by developing and delivering capital and revenue funded energy performance contracts (EPCs) with appointed framework contractors underpinned by a guaranteed energy savings and related payment mechanism recognising actual performance.

Since the NDEE Framework went live in 2016, 31 EPC projects have been taken forward involving energy efficiency improvements to 318 buildings; capital expenditure of £37m has been invested in related works and services delivered by framework contractors and their supply chains and guaranteed annual cost and carbon savings of £4.2m and 16,255 tCO<sub>2</sub> respectively have been achieved.



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Such has been the success of the Framework, that in October 2019, SFT's work together with that of Scottish Government on the Non-Domestic Energy Efficiency (NDEE) procurement framework was rewarded after both parties picked up the Best Environmental Impact award at the Government Opportunities (GO) Excellence in Public Procurement Scotland Awards.

Douglas Evans, Energy Manager, Falkirk Council, said: "We used the NDEE Framework to provide a large-scale energy efficiency project that would not have happened at the scale and pace that it did had it not been for the Framework. The Framework allowed more innovative solutions to be designed and presented as a suite of measures with a combined payback that allowed longer payback projects, such as solar PV, to proceed. The PSU were imperative in guiding us through the contract documentation and providing advice and support at all stages in the process."

Gordon Pollock, Projects Director, Midlothian Council, said: "Without the NDEE Framework, Midlothian would not have had the resource, financial or human, to benefit from the substantial energy savings achieved as part of the recent NDEE Schools Project. The PSU was able to provide professional support and guidance throughout the project which gave confidence to senior officers and knowledge transfer to the Project Team. This process has helped demonstrate the benefits of taking a whole and multi building approach to delivering wide carbon benefits. It has left the Council in a better place to plan future projects to contribute towards a net zero carbon future."

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