

Outcomes 2024/25

Driving energy efficiency across NHS Scotland's healthcare estate

Background

In 2023-24, a series of pilot studies was carried out in collaboration with selected health boards to investigate how energy usage was being managed in their PPP (Public Private Partnership) projects. While the pilots highlighted some shortcomings in energy management, they also revealed a broader opportunity: many operational projects could benefit from relatively simple improvements that facility managers were often unaware of.

The reason for this was due to gaps in reporting by providers which meant issues went unnoticed, leaving the buildings consuming unnecessary energy and incurring additional costs.

The challenge

In PPP arrangements, utilities are paid as a '**pass-through cost**' where the public body ultimately covers the bills. But the responsibility for managing energy usage sits with the private sector provider. This structure raised two critical questions:

1. **How effective is the provider's management of energy use?**
2. **What tools do facility managers have at their disposal to hold providers accountable and identify opportunities for efficiency?**

The pilots aimed to answer these questions, and ultimately, create practical guidance for facility managers seeking to run their own energy reviews without starting from scratch.

PRIMARY OUTCOME

8

Effective public assets driving transformation or re-deployment



CORPORATE PRIORITIES



NET
ZERO



SUSTAINABLE
PLACES



INCLUSIVE
GROWTH

The approach

The methodology of the pilots was adapted as different issues emerged with a focus on developing a repeatable framework for other public bodies. The resulting guidance provided:

- **Step-by-step structure:** Starting with a review of the original project specification and comparing it against the provider's method statements
- **Assessment of systems:** Evaluating sub-metering and Building Management Systems (BMS) to ensure they aligned with real-world usage
- **Reporting standards:** Outlining what energy consumption reports should include, particularly provider recommendations for reducing usage and referencing the performance standards embedded in contracts
- **Financial accountability:** Demonstrating how reimbursement mechanisms could be activated if an energy strategy was not delivered, with worked examples included
- **Technology utilisation:** Explaining how to measure whether low/zero-carbon technologies (such as CHP units) were being fully used, using half-hour meter data analysis





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Key insights from the pilots

The pilots uncovered several recurring issues, many of which were “easy fixes” once identified:

- **Misaligned BMS settings:** Some systems had not been programmed around actual facility use, meaning energy was wasted when buildings were unoccupied
- **Underused low/zero-carbon technologies:** CHP units and similar assets were often sitting idle due to avoidable maintenance issues
- **Weak reporting:** Providers were not always delivering sufficiently detailed recommendations on reducing energy consumption

These findings became core examples in the guidance, showing facility managers how to spot and resolve similar problems.

Results and impact

The new guidance has now been published and is being used as a **standard template** by the Scottish Futures Trust (SFT)'s PPP team. It is shaping further energy reviews across the PPP health and education sector, ensuring:

- Facility managers have a clear process for reviewing energy performance
- Public bodies can better hold providers accountable for energy efficiency
- Practical fixes, many low-cost and straightforward, are implemented more quickly, reducing unnecessary energy waste

Key takeaways

- **Structure is powerful:** A clear framework helps facility managers run energy reviews effectively without “reinventing the wheel”
- **Reporting matters:** Providers’ energy reporting must go beyond data, offering actionable recommendations
- **Small fixes = big savings:** Mis-programmed systems or idle technologies can lead to significant, avoidable costs
- **Accountability drives improvement:** Contracts already contain tools for enforcing performance, facility managers just need to know how to use them

This case study demonstrates how structured guidance, built on real-world pilots, can empower facility managers, reduce costs and accelerate the journey toward net zero across public sector projects.