

25 September 2014

## **New £50m funding alliance to support greater energy efficiency in the NHS**

- UK Green Investment Bank (GIB) and De Lage Landen (DLL) announce a new £50m funding alliance focused on NHS energy efficiency projects.
- First project funded by the alliance is a £7.5m investment into Queen's Medical Centre in Nottingham.
- Greater energy efficiency in the NHS could cut £150m from its energy bill.

The NHS is one of the UK's most energy intensive organisations, spending more than £750m on energy costs each year. GIB and DLL are working with NHS Trusts to improve energy efficiency and save money.

GIB and DLL have today announced a further £50m of funding for NHS energy efficiency measures, with both parties investing £25m.

The first project funded by the alliance will be at Queen's Medical Centre, part of Nottingham University Hospitals NHS Trust, where £7.5m is being invested to finance the installation of a suite of energy production and reduction measures. The project has been developed under the Carbon and Energy Fund (CEF) framework and it will be delivered by the energy services company, Interserve.

As with previous NHS energy efficiency projects, the Trusts and Health Boards that will benefit from the new funding won't need to find the capital upfront. The money saved by reducing their energy bills more than covers the cost of the repayments.

GIB estimates that energy efficiency measures could, across the UK, cut the NHS's current £750m energy bill by up to 20%, saving £150m each year.

Investing in energy efficiency isn't just about cost savings and environmental benefits. Investment in energy efficiency could provide the NHS with more reliable and resilient systems that would significantly reduce costs and operating risks.

The NHS has already adopted a target to cut its greenhouse gas emissions by 10% by 2015. By introducing energy efficiency measures today such as combined heat and power (CHP), light-emitting diode (LED) lighting, enhanced heating and ventilation, smarter control systems as well as biomass boilers, greenhouse gas emissions could be cut quickly by up to 30%, with energy saving more than compensating the costs of the updated technology.

### **Shaun Kingsbury, CEO of GIB, explained:**

*"As one of the country's most energy intensive organisations, the NHS could save up to £150m each year by putting in place energy efficiency measures. That's why GIB has committed to back a wave of projects to modernise and better equip NHS facilities and systems. Everything is tailored to the needs of the NHS."*

*"The project at Queen's Medical Centre is expected to reduce the Trust's energy costs and save around 7,400 tonnes of CO<sub>2</sub>e each year, equivalent to taking 3,300 cars off the road."*

**Bill Stephenson, CEO of DLL, also said:**

*“This initiative with GIB in the UK is fantastic news for our company and our global Clean Tech business unit. In today’s rapidly changing world DLL sees innovation, like the development of energy efficiency technology, as a fundamental factor to commercial success and a sustainable world. I am delighted that through our partner’s complementary in-depth industry knowledge we can positively contribute to UK’s green economy.”*

**Business Secretary, Vince Cable said:**

*“Through our industrial strategy we are working in partnership with business to give companies the confidence to invest, securing green jobs and a stronger UK economy.*

*“This latest project in Nottingham is part of Government’s continued investment to help the NHS transition to a more energy efficient working environment, cutting greenhouse gas emissions and saving the economy millions each year on reduced energy costs. Without our £3.8 billion investment in the UK Green Investment Bank these projects would not have been possible.”*

**Andrew Camina, Hard FM Compliance Manager, Nottingham University Hospitals NHS Trust, said:**

*“We are committed to doing all we can to save energy and reduce our carbon emissions at our hospitals which make up one of the biggest acute teaching trusts in the country. We are pleased to be working with partners to do all we can to reduce energy costs and emissions and seek to find ever more innovative ways of reducing energy use.”*

**Clive Natrass, CEO of CEF, said:**

*“The CEF supported the Trust from feasibility, through procurement to contract closure and will continue to support the Trust throughout the term of the contract. It was a pleasure to work with a Trust that embraced innovation to improve its resilience, save money and reduce its carbon emissions.”*

About the Nottingham project

**NHS Trust:** Nottingham University Hospitals NHS Trust

**Hospital:** Queen’s Medical Centre, Nottingham

**Total investment:** £7.5m, paid back over 15 years.

**Cost savings:** Estimated at £2.8m a year over the 15-year lifetime of the project.

**Environmental benefits:** The project will save around 7,400 tonnes of CO<sub>2</sub>e each year, equivalent to taking 3,300 cars off the road.

**Project details:** The investment will finance the installation of a suite of energy production and reduction measures. These include upgrading the Combined Heat and Power system, steam boiler, and Variable Speed Drives, as well as installing low energy lighting.

**Technical partner:** Interserve, the energy and technical services provider will design and install the equipment. GIB-DLL’s investment will finance the construction and installation.

Ends

**Notes to editors:**

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### **About the UK Green Investment Bank (GIB)**

The UK Green Investment Bank began operations in November 2012. Created by the UK Government with £3.8 billion of public funding, its mission is to help the UK transition to a greener economy by supporting projects that are both green and commercial. One of GIB's priority areas for investment is public sector energy efficiency, especially in the NHS where it has an established track record of activity.

GIB can provide the full spectrum of financing across debt and equity with the ability to fund long tenor. It has a dedicated team of energy efficiency project and finance experts set-up to work with private and public sector organisations and co-investors.

### **About DLL**

DLL is a global financial solutions partner working in Agriculture, Food, Healthcare, Clean Technology, Automotive, Transportation, Construction, Industrial Equipment and Office Technology. We collaborate with equipment manufacturers, dealers and distributors to enable businesses to obtain and use the assets they need to contribute meaningfully to the world. DLL delivers original, integrated financial solutions to support the asset life cycle from leasing, vendor and commercial finance to remarketing. In addition, we offer mobility solutions, factoring and consumer finance. DLL's 5,500 members support its partners in 36 countries. The company is a fully owned subsidiary of Rabobank Group.

### **About Nottingham University Hospitals NHS Trust**

We're based in the heart of Nottingham and have three main sites. We provide services to over 2.5 million residents of Nottingham and its surrounding communities. We also provide specialist services for a further 3-4 million people from across the region. We're one of the largest employers in the region, employing around 14,500 people at QMC, Nottingham City Hospital and Ropewalk House. QMC is our emergency care site, where our Emergency Department (A&E), the East Midlands Major Trauma Centre and Nottingham Children's Hospital are located. Nottingham City Hospital is our planned care site, where our cancer centre, heart centre and stroke services are based. Ropewalk House is where we provide a range of outpatient services, including hearing services. We have 80 wards and around 1,700 beds.

### **About CEF**

The CEF is the largest and most experienced NDEE Framework available to the NHS and it has procured over £120m of energy efficiency projects. The CEF provides a framework of 16 contractors and OJEU compliant procurement process complete with all the necessary legal, technical and project management resources that are required to deliver complex energy infrastructure projects.

### **About Interserve**

Interserve's vision is to redefine the future for people and places. It is one of the world's foremost support services and construction companies, operating in the public and private sectors in the UK and internationally, offering advice, design, construction, equipment, facilities management and front-line services. Interserve is based in the UK and is listed in the FTSE 250 index. The Group employs some 50,000 people worldwide and in 2012 generated gross revenue of £2.3 billion.