

# HILL DICKINSON

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ENERGY FACILITIES PROJECTS FOR THE NHS

# USE OUR ENERGY TO DELIVER BETTER ENERGY FACILITIES FOR YOUR HOSPITAL

Through our experience, we understand that a crucial motivator for NHS organisations is to derive value for money - against a backdrop of increasing regulatory compliance and an uncompromising demand from the public for high quality services.



### Conserve your energy for what matters:

- Achieving guaranteed cost savings
- Meeting NHS primary energy and carbon emissions reduction targets
- Minimising risk
- Delivering high quality, sustainable services

### Did you know...

- From the start of 2010, all NHS organisations are expected to have a board-approved carbon management strategy
- From 1 April 2011, most NHS trusts will be charged £12 per metric tonne of CO<sub>2</sub> they emit, under the UK Government's Carbon Reduction Commitment (CRC)

Rapidly rising energy prices and uncertainty in global energy supplies are pushing cost effective and sustainable energy provision ever higher up the NHS agenda.

In January 2009, the NHS Sustainable Development Unit published 'Reducing Carbon, Saving Lives', a carbon emissions reduction strategy for the NHS. This requires every NHS organisation to return its carbon emissions to 2007 levels by 2013, and to deliver a 10% reduction in carbon emissions against 2007 levels by March 2015.

The challenge for the NHS then is to decrease energy dependency, increase energy efficiency, reduce carbon emissions and deliver all this with significant cost savings.



**Innovation Award winner,  
Combined Heat and Power  
Association Awards 2009**

## A complete energy solution



An energy facilities project involving combined heat and power (CHP) or other energy saving technology can help your organisation to:

- Achieve significant annual savings against existing energy costs
- Achieve exemption from climate Change Levy on fuel for quality assured CHPs
- Meet mandatory primary energy and carbon emissions targets
- Reduce carbon emissions, typically by 20%
- Decrease energy dependency and increase energy efficiency
- Procure new or replacement plant and equipment
- Benefit from exemption from (or reduce) capital charges
- Reduce CRC payments

The installation of CHP and other energy saving technology is generally achieved by an outsourcing arrangement, following a PPP project structure, under which (as well as bearing the capital cost) the service provider guarantees savings against existing energy costs. Such arrangements are contractually complex and involve elements not encountered in a normal PPP or PFI project.

Hill Dickinson is the leading law firm in the country in the field of energy facilities projects involving CHP and/or other energy saving technology, and a long-standing provider of legal services to the NHS, and so (working with other professional advisers, as appropriate) is ideally placed to help NHS and other public sector organisations to achieve these objectives.

We have worked on more energy facilities projects involving CHP and/or other energy saving technology than any other UK law firm on behalf of public sector bodies, the majority in the NHS. These projects have a combined capital value in excess of £50 million. Each of these projects has delivered energy facilities with significantly improved energy efficiency, generating a combined annual saving in excess of £7 million, as well as reducing carbon emissions.

We are unparalleled in offering an established and nationally recognised team dedicated to energy facilities projects involving CHP and/or other energy saving technology.

The energy team is led by Stephen Lansdown, a well-known and respected legal expert in the field of energy facilities projects, recognised in the Legal 500 Guide to the UK legal profession 2009.

We have built up strong relationships over a number of years with the major service providers, intermediaries and consultants in the energy sector. These links help to position us at the forefront of developments in this hugely important area.

## What we do:

- Advise and lead on the delivery and development of energy facilities projects involving CHP and/or other energy saving technology
- Provide pragmatic legal guidance at every stage of the process, from initiation and procurement through to completion, commissioning and operation
- Draft complex sets of agreements and contracts between the NHS organisation and its service provider partner for:
  - Design and installation of new CHP and/or other energy saving plant and equipment
  - Delivery of electricity, steam, heat and/or cooling solutions
  - Provision of energy management services

## We can help your organisation to:

- Achieve guaranteed cost savings
- Meet mandatory primary energy and carbon emissions reduction targets
- Derive best long-term value
- Manage risk

## Hill Dickinson quality assured through:

- Status as recognised legal experts in energy facilities projects
- Diverse and extensive experience
- Unparalleled understanding of the energy services landscape
- Membership of the Combined Heat and Power Association, and winner of its Innovation Award 2009
- Working with industry leaders within the energy sector
- Long-standing provider of legal services to the NHS
- Strong relationships within the NHS and key intermediaries
- Seamless access as a full service law firm to experts in other areas of law

## Don't just take our word for it...

In Year 1 of its energy facilities project, our client Kingston Hospital NHS Trust saved:

- **£124,848 on energy costs**
- **10,279te in carbon emissions**

*"Hill Dickinson demonstrated, to considerable effect, their ability to obtain and utilise a comprehensive understanding of our needs as a client... delivering guaranteed savings and reducing our carbon emissions within Government and NHS deadlines... With comprehensive experience in the field, the trust benefited by receiving considered and proactive advice, and avoided 'reinventing the wheel' or learning at our expense."*

Allan Morley, ex-Kingston Hospital NHS Trust





## Experience counts

Procurement of an energy facilities project is a complex process. To maximise the benefits for the NHS, dedicated and highly experienced legal advisers are essential to navigate you through the potential pitfalls and ensure that the most suitable options are considered and explored.

- The installation of CHP and/or other energy saving plant and equipment not only allows the generation of electricity, steam, heat and/or cooling for the NHS in a carbon and cost-efficient way - CHP systems can also permit the export of surplus generated electricity to the National Grid, or surplus heat to a district heating scheme, thereby allowing further revenues to be derived from the plant and equipment.
- The £100 million Energy and Sustainability Capital Fund was made available to the NHS in England to support energy efficiency and carbon reduction schemes. Although this fund has now been exhausted, this fund will be extended or replaced with other funding streams - we can advise on

eligibility for funding and assist in the application process.

- Purchased CHP plant and other energy saving equipment qualifies not only for capital allowances but also for enhanced capital allowances - correct application of this allowance by a service provider can result in the recoupment of capital investment in as little as two years.
- Energy facilities projects can be structured to guarantee to the user a pre-agreed level of savings against existing utilities and other expenditure - we have the market knowledge and experience to help our clients find the most cost effective option for their circumstances.
- Alternatively, some energy facilities projects allow the user simply to pay for the generated electricity, heat and cooling without the user making any capital investment, and with the cost agreed in advance - we can advise on these discount energy purchase arrangements, taking into account suitability for purpose and the whole life cost.

## Contact

To discuss how energy facilities projects involving CHP and/or other energy saving technology can control the cost of energy usage, lower your energy consumption, deliver new systems and reduce your organisation's carbon emissions, and how we can work with you, contact:

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For further information about the UK Government's carbon emissions targets, visit [www.carbontrust.co.uk](http://www.carbontrust.co.uk)

For independent advice on CHP and the Combined Heat and Power Association, visit [www.chpa.co.uk](http://www.chpa.co.uk).

Alternatively, speak to us.

## About Hill Dickinson

The Hill Dickinson Group offers a comprehensive range of legal services from offices in Liverpool, Manchester, London, Chester, Piraeus and Singapore. Collectively the firms have more than 1,100 people and 160 partners.

Hill Dickinson is a major force in energy and procurement, and in November 2009 won the Innovation Award at the Combined Heat and Power Association Awards.

The firm is well respected in the company and commercial arena, and is widely regarded as a leader in the fields of insurance, intellectual property, health services, NHS clinical/health-related litigation and wealth management. Hill Dickinson also has a highly reputable commercial litigation practice and its marine expertise is internationally renowned.

As a recognised leader in commercial property and employment law, Hill Dickinson won the Insider North West's Property Law Firm of the Year 2009 and 2006, as well as The Liverpool Law Society's Employment Team of the Year 2009.

# HILL DICKINSON

### WINNER

National law firm of the year  
Legal Business Awards 2010

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