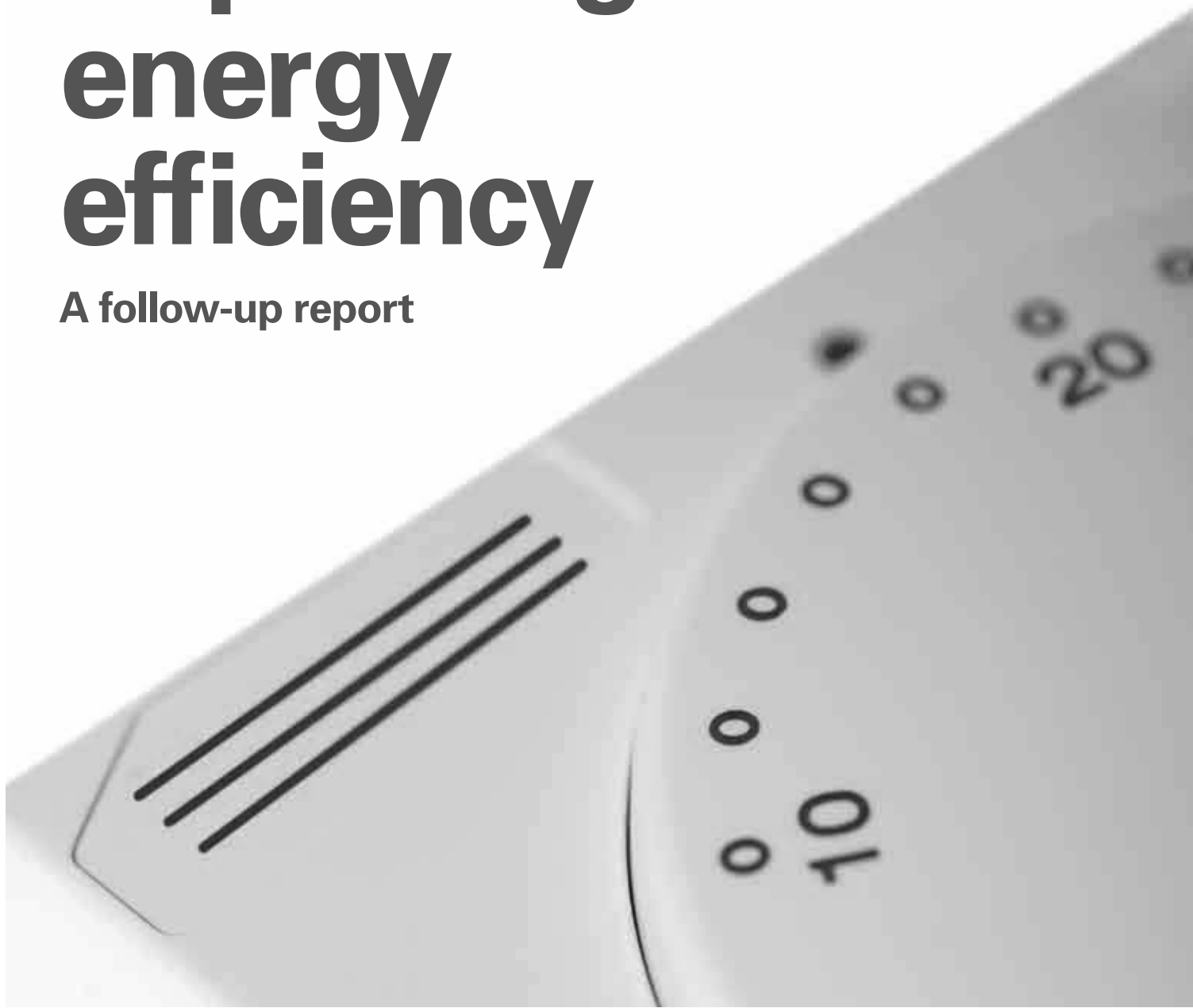


Improving energy efficiency

A follow-up report



Prepared for the Auditor General for Scotland and the Accounts Commission
December 2010

Auditor General for Scotland

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The following bodies fall within the remit of the Auditor General:

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- Scottish Water
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Summary



Reducing energy use is important for reducing carbon dioxide emissions and minimising the impact of predicted energy price rises.



Introduction

1. Energy efficiency can be improved by either providing the same level of service with less energy, or by providing a greater level of service with the same amount of energy. Reducing energy use is important for reducing carbon dioxide (CO₂) emissions, which evidence suggests are changing the world's climate.¹ As well as reducing its own emissions, the public sector has a key role to play in leading by example and promoting the improvement of energy efficiency more widely.

2. The public sector faces financial pressures over the next few years and needs to reduce its spending. Reducing energy use will be an important element of this, particularly as energy prices are forecast to increase over the next ten years.²

3. In December 2008, Audit Scotland published a report on behalf of the Auditor General and the Accounts Commission, following an audit that examined how the public sector was improving its energy efficiency.³ The audit found that:

- the public sector had made some progress in improving its energy efficiency and its energy use fell in the three years to 2006/07. But its spending on energy increased by nearly half due to rising energy prices
- the sectors that spent the most on energy (councils and the NHS) had made the greatest efforts to improve energy efficiency, and this was reflected in their performance
- the Scottish Government had provided funding to help the public sector improve performance in this area. But there was a lack of

formal monitoring and reporting on progress, and the quality of public bodies' energy strategies varied

- stronger leadership was needed in the public sector, to ensure the necessary cultural and behavioural changes were made to help improve energy efficiency.
- 4.** Since then, there have been a number of significant developments relating to energy efficiency policy in Scotland:
 - The Climate Change (Scotland) Act 2009 set ambitious targets to reduce greenhouse gas emissions by 42 per cent by 2020 and 80 per cent by 2050 (against a 1990 baseline).⁴ The Act gave all public bodies a duty to contribute to reducing greenhouse gas emissions.
 - The CRC Energy Efficiency Scheme (previously known as the Carbon Reduction Commitment) is a new compulsory UK-wide scheme that will affect many Scottish public bodies. It aims to improve energy efficiency and reduce CO₂ emissions (see Part 3 for more details).
 - Energy Performance Certificates, showing the energy performance of a building, have had to be displayed in all large public buildings since January 2009.⁵
 - An Energy Efficiency Action Plan, published by the Scottish Government in October 2010, aims to reduce energy use in Scotland, and includes actions to help the public sector improve its energy efficiency.

About our audit

5. This audit re-evaluated the performance of the public sector in improving its energy efficiency. It followed up the key recommendations from our 2008 report (Exhibit 1, overleaf), and looked at how prepared public bodies are for the CRC Energy Efficiency Scheme.

6. The audit looked at the performance of councils, NHS boards and central government bodies, and focused mainly on the improvement of energy efficiency in their buildings.⁶ It did not look at domestic energy use. During the audit we:

- issued a survey to 96 public bodies and had a 96 per cent response rate (see Appendix 1)
- interviewed relevant staff from the Scottish Government
- held group interviews with energy managers from councils and NHS boards
- reviewed relevant documents.

7. Our report is in three parts:

- Part 1 considers changes in energy use, spending on energy, and CO₂ emissions between 2006/07 and 2008/09.⁷
- Part 2 assesses progress made by the public sector in implementing the recommendations of our 2008 report.
- Part 3 examines the CRC Energy Efficiency Scheme and evaluates how prepared participating public bodies are for the scheme.

1 *Climate change 2007: synthesis report*, Intergovernmental Panel on Climate Change, 2008.

2 *Updated energy and emissions projections*, Department of Energy and Climate Change, June 2010.

3 *Improving energy efficiency*, Audit Scotland, December 2008.

4 During 2011, Audit Scotland will be carrying out a performance audit focusing on climate change.

5 A 'large' public building is one which has a heated/cooled area over 1,000m².

6 The term 'NHS boards' in this report refers to both territorial and special health boards.

7 In 2008, we reported energy use and spend between 2004/05 and 2006/07.

Exhibit 1**Recommendations from the 2008 *Improving energy efficiency* report**

The report made nine recommendations for the Scottish Government and public bodies.

Recommendations	Paragraphs in this report
The Scottish Government should demonstrate leadership by providing clear guidance for all public bodies on the actions that are required to improve energy efficiency and reduce CO ₂ emissions.	25–26 52
The Scottish Government should establish robust monitoring arrangements, to ensure the performance of public bodies in improving energy efficiency can be accurately assessed and reported publicly against national and international targets.	43–47
The Scottish Government should work with the public sector to disseminate good practice, coordinate networks to share information and establish appropriate energy efficiency benchmarks.	23–24 27–29 48
The public sector should ensure that effective strategies are in place to improve energy efficiency and reduce CO ₂ emissions throughout all areas of public sector activity. These strategies should be supported by comprehensive plans detailing the actions to be taken to achieve agreed objectives and time-related targets.	31
The public sector should ensure that senior staff play a key role in improving energy efficiency and reducing CO ₂ emissions through leading on the implementation of strategies.	32
The public sector should identify and implement a coordinated programme to raise awareness of energy efficiency among staff. Public bodies should actively seek expert advice and input to design programmes which focus on encouraging changes to culture and staff behaviour.	27–29 33 38
The public sector should ensure staff with the necessary skills are made available to support implementation of energy efficiency activities. Formal reporting frameworks should be used to monitor progress against the aims, objectives and targets outlined in energy efficiency strategies.	36–37 41–42
The public sector should collect accurate and consistent data on energy consumption within all sites which they own or lease and in their transport use. Public bodies in multiple occupancy buildings need to work with landlords and other occupiers to establish procedures for identifying local consumption data.	39–40
The public sector should ensure that energy efficiency is considered in the procurement of goods and services, and in the planning and design of major capital projects.	51 59

8. We have identified issues that councillors and non-executive board members may wish to consider in relation to how their organisation is improving its energy efficiency (Appendix 2).

9. An advisory group provided independent advice and feedback at key stages of the audit. See Appendix 3 for membership of the group.

Summary of key messages

- Between 2006/07 and 2008/09, there was little change in the public sector's energy use, but its spending on energy increased by 21 per cent. In a time of increasing financial pressures for the public sector and predicted future rises in energy prices, reducing energy use is of key importance.
- Scotland has ambitious targets to reduce greenhouse gas emissions and public bodies are adopting a more strategic approach to improving energy efficiency. However, the public sector as a whole is not yet reducing emissions at sufficient pace to set a good example or influence others, and future budget reductions may affect the level of investment available to achieve further improvement. The Scottish Government is taking action to help the public sector improve energy efficiency, but progress has been slow and the impact of this activity is not yet clear.
- On the seven point scale used to show the energy performance of buildings, over 70 per cent of large public buildings are rated in the poorest three levels. Only four per cent are rated in the top two levels.

- The CRC Energy Efficiency Scheme has raised the profile of energy efficiency, and over half of public bodies are well prepared for involvement in it. Reducing energy use will help public bodies reduce the costs associated with the scheme.

Recommendations

The Scottish Government should:

- ensure efforts and investment for improving energy efficiency are targeted where the greatest reductions in energy use and emissions can be made for the whole public sector
- take the opportunity when reviewing its Energy Efficiency Action Plan to ensure the actions relevant to the public sector are robust enough to achieve the pace of change required
- ensure its sustainability reporting framework provides consistent information on energy performance across the public sector
- build the CRC Energy Efficiency Scheme into its internal audit arrangements, to provide assurance in addition to the five-yearly external audit by the Scottish Environment Protection Agency (SEPA).

Public bodies should:

- strengthen the contribution they make to reducing emissions and increase the pace of change
- work with the Scottish Government to implement the actions relevant to the public sector in the Energy Efficiency Action Plan, and report progress to senior management
- ensure they have systems in place to collect accurate data on transport use and resulting CO₂ emissions
- build energy efficiency considerations into asset management and estate rationalisation decisions, involving energy officers or teams wherever possible
- build the CRC Energy Efficiency Scheme into their internal audit arrangements, to provide assurance in addition to the five-yearly external audit by SEPA.

Part 1. Energy use



There has been little change in public sector energy use, but spending has continued to rise.



Key messages

- Between 2006/07 and 2008/09, there was little change in the public sector’s energy use, but its spending on energy increased by 21 per cent.
- The public sector needs to do more to set a good example and influence others in reducing greenhouse gas emissions.

There has been little change in public bodies’ energy use since 2006/07

10. In 2008, we reported that energy use fell between 2004/05 and 2006/07. Recent data suggest that there has been little change in energy use since then. Energy use in public sector buildings is estimated to have risen by one per cent over the three years to 2008/09 (Exhibit 2). Overall energy use in councils and central government bodies has not changed over this period but it has increased by 3.5 per cent in the NHS. The NHS accounts for 30 per cent of public sector energy use, while councils account for 56 per cent and central government bodies for 14 per cent.

11. Reasons given for increases in energy use include:

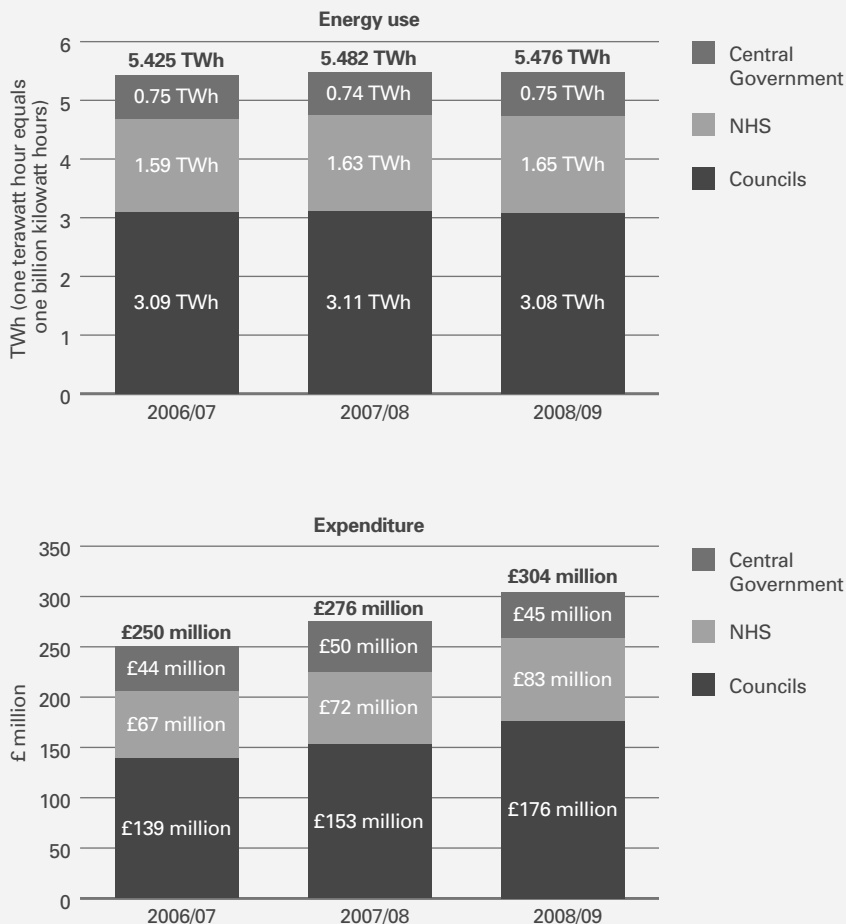
- changes in the estate (eg, additional buildings or office space)
- increases in new equipment (eg, electronic medical equipment)
- changes in service provision (eg, longer opening hours)
- variations in the weather (eg, increased demand for heating or cooling).

12. Ten public bodies were responsible for consuming half of all energy used by councils, NHS boards and central government bodies in

Exhibit 2

Changes in energy use and spend across the public sector from 2006/07 to 2008/09

There has been a one per cent rise in energy use, but spend on energy has increased by 21 per cent.



Note: This is based on 65 public bodies (26 councils, 23 central government bodies and 16 NHS boards) that provided data on energy use and spend over all three years for each energy source used (ie, electricity, gas and oil). In 2008/09, these 65 bodies accounted for 95 per cent of public sector energy use. At the time the audit was carried out, data for 2008/09 were the most recent available. The NHS data only reflect energy use and spend in hospitals. Spend data are in 2008/09 prices.

Source: Audit Scotland; Annual National Environment Reports 2006/07 to 2008/09, Health Facilities Scotland

2008/09. This included six councils (which accounted for almost half of total council energy use); three NHS boards (which accounted for just over half of total NHS energy use); and Scottish Water (which accounted for almost two-thirds of total central government energy use). The ten bodies were:

- Glasgow City Council (8 per cent of total energy used by the public sector); Fife Council (4 per cent); City of Edinburgh Council (4 per cent); South Lanarkshire Council (4 per cent); Aberdeenshire Council (3 per cent); Aberdeen City Council (3 per cent)

- NHS Greater Glasgow and Clyde (8 per cent); NHS Lothian (4 per cent); NHS Tayside (3 per cent)
- Scottish Water (8 per cent).

13. It is important that all public bodies should seek to reduce their energy use. Efforts and investment to improve energy efficiency will be most effective if they are concentrated where the greatest reductions in overall energy use can be made. Given the scale of energy use of the organisations detailed above, they will have an important role to play.

14. The NHS takes account of variations in weather when reporting its energy use. Although absolute energy use in the NHS increased between 2006/07 and 2008/09 (Exhibit 2, page 7), after correction for weather, the NHS achieved a two per cent reduction in energy use over this period. An NHS target for energy efficiency was introduced in 2007/08, which required a two per cent reduction in weather corrected energy use each year to 2009/10. After correction for weather, the NHS achieved a 1.2 per cent reduction in energy use in 2008/09.⁸ In line with the Climate Change (Scotland) Act 2009, a new NHS target was introduced in April 2010. This new target requires NHS boards to achieve a one per cent improvement in energy efficiency and a three per cent reduction in CO₂ emissions from fossil fuels (eg, gas and oil), year-on-year between 2010/11 and 2014/15.

Public bodies spent over £320 million on energy in 2008/09

15. In 2008/09, councils, the NHS and central government bodies spent in excess of £322 million on energy.⁹ Since 2006/07, public sector spending on energy has increased by 21 per cent in real terms (Exhibit 2, page 7). Between 2006/07 and 2008/09, electricity prices rose by an average of 28 per cent and gas prices rose by an average of 30 per cent.¹⁰ Although they began to fall in 2009/10, energy prices are forecast to rise again over the next ten years.¹¹

The Scottish Government estimates that national contracts for energy will save the public sector up to £15 million a year

16. Since October 2009, Procurement Scotland has been responsible for managing national contracts for the supply of electricity and gas to the public sector.¹² All councils and NHS boards and 33 central government bodies have signed up to these contracts. Procurement Scotland buys energy on behalf of these public bodies before the start of each financial year. This should help manage the risk for individual public bodies of buying energy in an unpredictable market, as energy is bought in blocks rather than in one single purchase. Buying energy in advance also allows Procurement Scotland to provide an indication of future energy prices, which should make it easier for public bodies to budget for energy costs.

17. The electricity supplied through the national contract is generated from renewable sources (mostly wind power). The Scottish Government estimates that the contracts will make savings of between £10 million and £15 million each year across the whole public sector – up to five per cent of the amount spent by public bodies on energy in 2008/09. It is anticipated that these savings will be made by buying large volumes of energy in advance at the best available price and securing reduced management fees from energy suppliers (eg, not paying a premium for renewable electricity). At the time of our audit, it was too early to tell what impact this national approach to procuring energy has had.

The public sector needs to do more to set a good example and influence others in reducing greenhouse gas emissions

18. Emissions from power stations and transport account for around half of Scotland's total greenhouse gas emissions.¹³ Public sector activity is directly responsible for around two per cent.¹⁴ However, the Scottish Government expects the public sector to lead the way in energy efficiency, and to set a good example by reducing its own emissions and influencing others (eg, businesses, households and individuals) to do the same.¹⁵ The public sector can do this in a number of ways, including reducing energy use in its buildings, buying energy efficient products, and encouraging behavioural change among its staff, suppliers and users of its services.

8 *National Performance Framework*, Scottish Government.

9 This figure is based on spend by 82 public bodies in 2008/09. It is higher than the figure quoted in Exhibit 2, as it is based on a larger sample size.

10 *Quarterly energy prices*, Department of Energy and Climate Change, September 2010.

11 *Updated energy and emissions projections*, Department of Energy and Climate Change, June 2010.

12 Procurement Scotland is part of the Scottish Government. It is responsible for buying goods and services on behalf of all public sector bodies (eg, office equipment, corporate services).

13 *Scotland's path to a low carbon economy*, Committee on Climate Change, February 2010.

14 *Scottish greenhouse gas emissions 2008*, Scottish Government, September 2010.

15 *Conserve and Save: The Energy Efficiency Action Plan for Scotland*, Scottish Government, October 2010.

19. Between 2006/07 and 2008/09, public bodies achieved an estimated 0.5 per cent reduction in CO₂ equivalent emissions from their buildings each year.¹⁶ However, this falls short of the annual average of three per cent reductions needed across Scotland to meet the target in the Climate Change (Scotland) Act 2009 (reduce greenhouse gas emissions by 42 per cent by 2020 against a 1990 baseline).¹⁷ If the public sector is to set a good example and influence other sectors, it will need to strengthen its contribution and increase the pace of change.

20. Despite an overall increase in energy use, CO₂ equivalent emissions have reduced because of the changes in the balance of energy used by the public sector. Each energy source emits different levels of greenhouse gases, for example using gas produces less emissions than using electricity and oil. Overall, the public sector has reduced its use of electricity and oil, and increased its use of gas, leading to a reduction in emissions from energy use. Councils achieved a three per cent reduction in CO₂ equivalent emissions between 2006/07 and 2008/09, by reducing their electricity and oil use. However, emissions from NHS energy use increased by three per cent, and central government bodies' emissions increased by 0.4 per cent.

Recommendations

The Scottish Government should:

- ensure efforts and investment for improving energy efficiency are targeted where the greatest reductions in energy use and emissions can be made for the whole public sector.

Public bodies should:

- strengthen the contribution they make to reducing emissions and increase the pace of change.

¹⁶ CO₂ equivalent provides a universal standard of measurement against which the impacts of releasing different greenhouse gases can be measured. The UK Government's greenhouse gas conversion factors have been used to calculate CO₂ equivalent emissions. The conversion factors reflect an average across the UK – conversion factors for electricity may be different in Scotland due to the higher proportion of nuclear and renewable electricity generation, which result in lower CO₂ emissions. *Greenhouse gas inventories for England, Scotland, Wales and Northern Ireland: 1990–2007*, AEA, September 2009.

¹⁷ *Scotland's path to a low carbon economy*, Committee on Climate Change, February 2010.

Part 2. Improving energy efficiency



Financial pressures may make it more difficult to allocate funding for investment in energy efficiency measures.



Key messages

- The Scottish Government is taking action to help the public sector improve its energy efficiency, but progress has been slow and the impact of this activity is not yet clear.
- Public bodies are adopting a more strategic approach to improving energy efficiency. However, future budget reductions may affect the level of investment available to achieve further improvement.
- On the seven point scale used to show the energy performance of buildings, over 70 per cent of large public buildings are rated in the poorest three levels. Only four per cent are rated in the top two levels.

21. There have been a number of significant developments relating to energy efficiency since our first performance audit report was published in 2008. The Climate Change (Scotland) Act 2009 included measures to promote energy efficiency. It requires:

- the Scottish Government to publish a plan for promoting energy efficiency, by 31 October 2010 (see paragraph 25)
- any building that becomes part of the central government estate to be within the top 25 per cent of energy performance
- annual reporting to the Scottish Parliament on progress made towards improving the efficiency and sustainability of the central government estate, from October 2011
- all public bodies to contribute towards meeting targets to reduce greenhouse gas emissions,

from January 2011. The Scottish Government has consulted on guidance to help public bodies comply with this duty.

22. Other significant developments include the introduction of Energy Performance Certificates for public buildings (see paragraph 55), and the introduction of the CRC Energy Efficiency Scheme (see Part 3). The Scottish Government is working to help the public sector improve its energy efficiency, but many of its initiatives in this area remain a work in progress.

The impact of Scottish Government actions to improve energy efficiency is not yet clear

23. In 2008, we reported the establishment of a Leading by Example Programme to improve environmental performance (including energy efficiency) across the public sector. As part of the programme, the Scottish Government established two working groups to deliver its aims, both internally and in the wider public sector:

- An internal working group was set up in December 2008 to focus on the performance of the Scottish Government. The group's remit is to ensure the Scottish Government demonstrates leadership to the wider public sector, by improving its own environmental performance. The group is now chaired by the Director-General for Rural Affairs, Environment and Services, and members include directors from across the Scottish Government.
- An external working group, chaired by the Permanent Secretary, was set up in May 2009 to promote improved environmental performance across the public sector. However, this group only met twice before being merged in February 2010 into the new Sustainable Scotland group,

which focuses on a wider sustainability agenda. This group includes senior representatives from across the public and private sector, and is chaired by the Permanent Secretary.

24. The impact of these working groups on improving energy efficiency in the public sector is not yet clear. The Sustainable Scotland group has met three times to date, and has considered issues relating to energy efficiency (eg, the development of an energy efficiency action plan). However, it is too early to assess the impact of the group on promoting improved energy efficiency in public bodies. Although the internal working group has taken action to improve the Scottish Government's own environmental performance (eg, ensuring delivery of its carbon management plan), it has had limited impact on the wider public sector.

The Scottish Government has been slow in providing guidance to the public sector on improving energy efficiency

25. In 2008, we reported that the Scottish Government planned to develop an action plan to improve energy efficiency in the public sector. A consultation draft, which highlighted the recommendations from our 2008 report, was published in October 2009. The final action plan was published in October 2010, more than two years after a commitment was made to develop it (Exhibit 3, overleaf).

26. The plan sets out the Scottish Government's approach to improving energy efficiency across Scotland. One aim of the action plan is to 'provide clear energy efficiency guidance and leadership to the public sector, to enable the delivery of energy saving improvements and promote exemplary behaviour.'¹⁸

Exhibit 3

Development of the Scottish Government's Energy Efficiency Action Plan

The development of an energy efficiency action plan has taken over two years.



Note: 1. Before May 2007, the Scottish Administration was called the Scottish Executive. It is now called the Scottish Government.

Source: Audit Scotland

The plan includes actions for the Scottish Government aimed at reducing energy use in public sector buildings, improving the monitoring and reporting of energy performance, and using existing funding for energy efficiency measures more effectively. The plan sets out how the Scottish Government will work with public bodies to reduce their energy use. However, it does not include any timescales or mandatory actions for public bodies themselves, and this approach may not be robust enough to provide the sense of urgency required or encourage sufficient pace of change.

The Scottish Government provides funding to support public bodies to improve their energy efficiency

27. The Scottish Government provided around £5.5 million funding to the Carbon Trust in 2010/11.¹⁹ The Carbon Trust works with public bodies

and businesses to identify their CO₂ emissions and provides advice and support to help reduce them. It also supports developments in technology designed to reduce the demand for energy and minimise emissions. Eighty-seven per cent of public bodies have sought advice from the Carbon Trust.

28. The Carbon Trust has a support programme to help organisations reduce their CO₂ emissions.²⁰ All councils, ten NHS boards and four central government bodies have taken up this service. In June 2009, a tailored programme was launched for smaller energy users and is available to all Scottish public bodies that are not suited to the full programme. NHS National Services Scotland and 12 central government bodies have undertaken this tailored programme to date. These bodies have set themselves targets to reduce their CO₂ emissions by an average of

3.5 per cent each year. The Energy Efficiency Action Plan encourages all public bodies to go through the Carbon Trust's programme, if they have not already done so.

29. The Scottish Government also provides funding to the Energy Saving Trust, which focuses on improving energy efficiency in the domestic sector by providing public information and advice. The Trust also provides some advice to public bodies, and has developed a staff training tool for councils which aims to change attitudes and behaviour towards energy use. Around 80 per cent of councils, and 40 per cent of central government bodies and NHS boards, have sought advice from the Energy Saving Trust.

30. The Central Energy Efficiency Fund (CEEF) was set up to fund projects to improve energy efficiency in councils, NHS boards and Scottish Water. The Scottish Executive

¹⁹ Carbon Trust Annual Report 2009/10, Carbon Trust, August 2010.

²⁰ This is known as the Carbon Management programme.

provided £20 million to public bodies through the fund during 2004/05 and 2005/06.²¹ CEEF is intended to generate 'revolving funds' – the savings made from CEEF-funded measures are invested in further energy efficiency measures. To date, £17.8 million of CEEF has been spent, resulting in estimated annual savings of £6 million and 53,000 tonnes of CO₂.²² The Energy Efficiency Action Plan states that the Scottish Government will undertake an evaluation of CEEF by the end of 2010, to identify how remaining funding can be used most effectively.

Public bodies are adopting a more strategic approach to improving energy efficiency, but challenges remain

The profile of energy efficiency has risen in public bodies

31. There has been an increase in the percentage of public bodies with a strategy or action plan to improve energy efficiency. Almost three-quarters of public bodies that did not have a strategy in 2008, had either introduced one by 2010 or were developing one. Nearly 85 per cent of public bodies now have an energy efficiency strategy (93 per cent of councils, 86 per cent of NHS boards and 75 per cent of central government bodies). Of these strategies, only nine (13 per cent) are not supported by an action plan, outlining how objectives and targets to improve energy efficiency will be achieved.

32. Increasingly, senior staff are leading on the implementation of public sector strategies to improve energy efficiency. The majority of strategies are approved by either a council committee, the chief executive or corporate management team. At a strategic level, responsibility for driving forward the measures in these strategies tends to lie with the corporate management team. The majority of public bodies have identified 'champions' at senior management

level, to help drive forward measures to improve energy efficiency. All NHS boards and around two-thirds of councils and central government bodies have energy 'champions' at senior management level.

33. Since our previous report in 2008, more public bodies have established a steering group with a remit covering energy issues, which includes representatives from across the organisation. Over 80 per cent have a committee or steering group in place, compared to around 60 per cent in 2008. These groups can help to raise the profile of energy efficiency issues; for example, they may have responsibility for implementing the energy strategy at an operational level.

34. Public bodies are increasingly setting their own targets for improving energy efficiency in their buildings and transport fleet. Around 85 per cent of public bodies had set their own targets in 2010, compared to 70 per cent in 2008. Of these, all have targets to improve energy efficiency in their buildings and nearly half also have targets for transport use.

35. Although the profile of energy efficiency has increased, public bodies are facing competing priorities due to increasing financial pressures in the public sector. This may make it more difficult to allocate funding for investment in energy efficiency measures.

Staff resources allocated to energy management have increased

36. There has been an increase in the staff resources allocated to energy management. The number of public bodies with an officer or team responsible for energy management has increased from 69 per cent to 91 per cent since 2008. All councils and NHS boards and 80 per cent of central government bodies have staff responsible for energy management. Of these bodies, a third reported

an increase in the availability of training for energy management staff. However, the recruitment and retention of appropriately trained energy management staff remains difficult. This is a risk for public bodies as experienced energy managers retire, and succession planning needs to be considered.

37. Energy management can be part of a wider facilities or property management role. The amount of time spent on energy management varies between sectors. In 86 per cent of councils, the officer or team responsible for energy management spends at least three-quarters of their time on energy management issues. This compares to 23 per cent of NHS boards and ten per cent of central government bodies.

38. All staff have a role to play in improving energy efficiency. However, less than half of public bodies have 'champions' among operational staff (other than energy management staff) to encourage behavioural change among colleagues. Energy managers report that raising and maintaining awareness of energy efficiency among staff remains a challenge. This is largely due to a lack of time or people to deliver ongoing awareness raising initiatives.

Public bodies have improved their monitoring systems for energy performance

39. Public bodies have improved their understanding of the energy performance of their buildings by collecting more accurate data on energy use. Around 85 per cent of public bodies now have a system in place to collate information on energy use in their buildings, compared to 70 per cent in 2008. Almost half of all public bodies now have automated meter reading systems, compared to under a third in 2008. These systems collect accurate data on energy use automatically, rather than relying on

21 Before May 2007, the Scottish Administration was called the Scottish Executive. It is now called the Scottish Government.

22 Scottish Government and Health Facilities Scotland.

estimates or manual meter readings. However, some public bodies lack the necessary staff resources to analyse and use this data effectively.

40. Around 70 per cent of public bodies, including all councils and NHS territorial boards, have a vehicle fleet. Of these, around two-thirds have a system in place to monitor the fuel consumption of their fleet. This is an improvement since 2008, when less than half of public bodies had a system in place. The remaining third need to identify ways to collect accurate data on transport use, to allow them to assess fully their CO₂ emissions.

41. Not all public bodies are reporting energy performance, such as the use and cost of energy, on a regular basis. Forty per cent of public bodies report energy performance to management teams monthly or quarterly, 35 per cent report six-monthly or annually, and 25 per cent report occasionally or not at all. Reporting energy performance to all staff and the public is done less frequently, if at all. Around half of public bodies report to these audiences occasionally or not at all. The Energy Efficiency Action Plan encourages public bodies to report their energy use, and progress in trying to reduce it, regularly.

42. NHS territorial boards, the State Hospital and the National Waiting Times Centre Board use the same environmental monitoring and reporting tool (eMART). Data on environmental performance, including energy use, spend and CO₂ emissions, is collated in eMART and reported publicly every year.²³ Quarterly performance reports generated by eMART are reviewed by NHS board chief executives and the Scottish Government health directorates. In April 2010, eMART was upgraded to include data on all

properties owned and leased by the NHS (rather than just hospitals). During 2010/11, it will begin to collect data on the mileage and resulting emissions of leased, private and fleet vehicles.

The Scottish Government is seeking to improve consistency in the monitoring and reporting of energy performance

43. The Scottish Government is working to improve the consistency and standard of environmental reporting across the public sector. In early 2009, it piloted eMART among a group of councils and central government bodies, to assess the potential for implementing it across the wider public sector. However, it was decided that a full roll-out of eMART was not appropriate, due to other developments to improve reporting that had taken place since the pilot began.

44. These significant developments in energy reporting are:

- The Climate Change (Scotland) Act 2009 requires annual reporting to the Scottish Parliament on progress made towards improving the energy performance of the central government estate, from October 2011.
- Changes to the Treasury's Financial Reporting Manual (FReM) require central government bodies and the NHS to report on energy use and emissions in their annual reports and accounts from 2011/12. Similar reporting arrangements are being developed for councils through the Chartered Institute of Public Finance and Accounting (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

- The electronic Property Information Mapping Service (ePIMS) has been upgraded to collect energy data. This system is used to collect property management data in central government bodies and any NHS boards not covered by eMART.

45. The Scottish Government is developing an overarching sustainability reporting framework to create a more coordinated approach to reporting across the public sector. It aims to draw environmental and sustainability reporting under a single framework across central government and the NHS.

46. The Energy Efficiency Action Plan includes actions to improve the monitoring and reporting of energy performance data across the public sector. It states that the Scottish Government will:

- develop a methodology for setting appropriate energy saving targets
- set an overarching energy saving target for the public sector as a whole
- encourage public bodies to set their own annual targets, which should be approved at chief executive level and publicly reported each year.

47. To help ensure that public bodies are collecting and reporting accurate and comparable energy data, the Carbon Trust is developing best practice guidance for the public sector on managing and reporting energy data. This is due to be published in early 2011.

48. Benchmarks can help public bodies identify areas for improvement by comparing their performance against similar organisations. The Scottish Government has not established any energy efficiency benchmarks. However, actions in the Energy Efficiency Action Plan and wider developments in sustainability reporting may lead to the establishment of benchmarks in future.

Financial pressures make improving the energy efficiency of public sector buildings a challenge

49. It is important that public bodies build energy efficiency considerations into refurbishments, new buildings and rationalisation of their estate. They also need to encourage changes in staff behaviour and the way buildings are used, to help reduce CO₂ emissions from buildings.

50. However, due to the financial pressures facing the public sector, and the difficult choices to be made about using limited resources, it may become more difficult to allocate funding for energy efficiency measures. The Scottish Government's capital budget is predicted to fall by around 36 per cent in real terms between 2010/11 and 2014/15, which may result in less capital investment in the public sector estate.²⁴ This is likely to make improving the energy performance of public sector buildings very challenging.

51. In 2009, Audit Scotland reported that councils and NHS boards needed to give greater consideration to environmental sustainability in the design of new buildings.²⁵ Nearly 70 per cent of public bodies have a policy stating that energy efficiency should be considered in the buying, planning or design of major capital

projects. In 60 per cent of public bodies, energy managers are always or often involved in planning major capital projects. However, this has not increased since 2008, and energy managers are not always involved early enough in the planning stages to influence decisions.

52. The Energy Efficiency Action Plan includes actions for the Carbon Trust to produce guidance for the public sector on reducing emissions from buildings. The Carbon Trust is developing an asset mapping approach to help public bodies identify opportunities over time to reduce emissions in their buildings (eg, when buildings or facilities such as boilers are due to be replaced or refurbished). It is also developing guidance to help public bodies procure energy efficient buildings (eg, when buying new buildings, undertaking refurbishments or leasing additional space). This guidance is due to be published in 2011.

53. The Climate Change (Scotland) Act 2009 requires any building that becomes part of the central government estate to be within the top 25 per cent of energy performance. The Energy Efficiency Action Plan encourages all public bodies to report on the estimated energy use and emissions of any building they plan to buy or lease, and to identify if it falls within the top 25 per cent.

54. Since October 2010, changes in building regulations have required new buildings, and any new building work in existing buildings, to deliver improved energy performance. The Scottish Government expects these new regulations to reduce CO₂ emissions by 30 per cent compared to 2007 standards.²⁶

Over 70 per cent of large public buildings have a poor energy performance rating

55. The European Union introduced legislation in 2002 to promote the improvement of the energy performance of buildings.²⁷ In Scotland, this was implemented through building regulations.²⁸ Since January 2009, all large public buildings have had to display an Energy Performance Certificate (EPC).²⁹ An EPC shows the amount of CO₂ estimated to be released by a building, by rating it from A (excellent) to G (very poor).

56. EPC ratings are based on an assessment of the performance of the fabric of a building and its fixed services, such as heating and lighting. This assessment uses standard assumptions as to how the building is used, and does not reflect actual energy use. Display Energy Certificates, applicable to public buildings in England and Wales, are slightly different as their ratings are based on the actual amount of energy used by a building each year. In June 2010, revised European Union legislation on the energy performance of buildings was published.³⁰ The Scottish Government will consult on any proposed changes to the EPC system in 2011.

57. Despite the limitations of the current EPC system, it illustrates the scale of the challenge in reducing emissions from the existing public sector estate. Over 70 per cent of large public sector buildings have an EPC rating of E to G, with only four per cent rated A or B (Exhibit 4, overleaf).

²⁴ *Scotland's spending plans and draft budget 2011-12*, Scottish Government, November 2010.

²⁵ *Asset management in the NHS*, Audit Scotland, January 2009 and *Asset management in local government*, Audit Scotland, May 2009.

²⁶ *Non-domestic Technical Handbook 2010*, Scottish Government, April 2010.

²⁷ *Directive 2002/91/EC on the Energy Performance of Buildings*, December 2002.

²⁸ *The Energy Performance of Buildings (Scotland) Regulations 2008*.

²⁹ A 'large' public building is one which has a heated/cooled area over 1,000m².

³⁰ *Directive 2010/31/EU on the Energy Performance of Buildings (recast)*, May 2010.

The Scottish Government is encouraging public bodies to consider energy efficiency when buying goods and services

58. In 2009, the Scottish Government published its Sustainable Procurement Action Plan.³¹ The plan states that the public sector should lead by example in building sustainability into its procurement activity. It highlights that the environmental implications of buying products or services (including energy use) should always be considered. The Scottish Government expects the actions in the plan to contribute towards targets for reducing emissions.

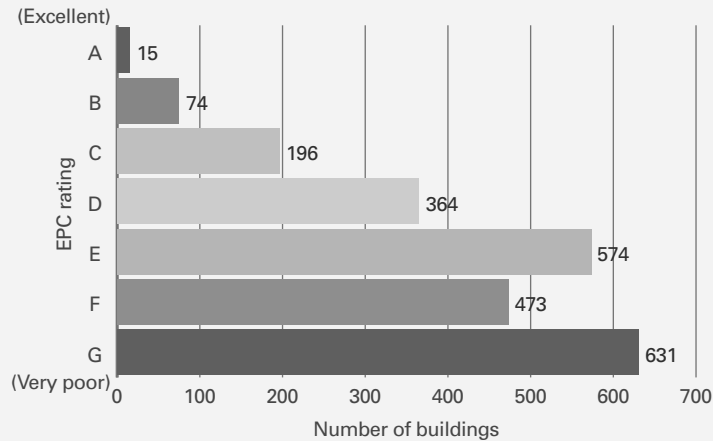
59. Three-quarters of central government bodies, and around two-thirds of councils and NHS boards, have procurement strategies stating that energy efficiency should be considered when buying all goods and services. Of those public bodies that have a transport fleet, around two-thirds have a procurement strategy that states energy efficiency should be considered when buying vehicles. However, we reported in 2008 that public bodies do not necessarily have procedures in place to ensure compliance with these strategies. The Sustainable Procurement Action Plan encourages public bodies to put a delivery plan in place during 2010, to ensure sustainable procurement practices are followed.

60. The Scottish Government launched the Low Carbon Vehicle Procurement Support Scheme in June 2010. This scheme, supported by COSLA, will make £3.6 million available to Community Planning Partnerships for the procurement or lease of vehicles with low emissions, during 2010/11. The scheme will provide financial support to community planning partners, by funding the difference in cost between conventional vehicles and low emission vehicles (eg, electric cars and vans). The funding can also

Exhibit 4

Energy Performance Certificate ratings of the public sector estate

The majority of large public sector buildings have an Energy Performance Certificate rating of E to G.



Note: This exhibit is based on data from 68 public bodies (29 councils, 26 central government bodies and 13 NHS bodies).

Source: Audit Scotland and Health Facilities Scotland

be used to install publicly accessible charging or fuelling facilities for low emission vehicles. An additional £300,000 will be available for central government bodies that are not represented on Community Planning Partnerships.

Recommendations

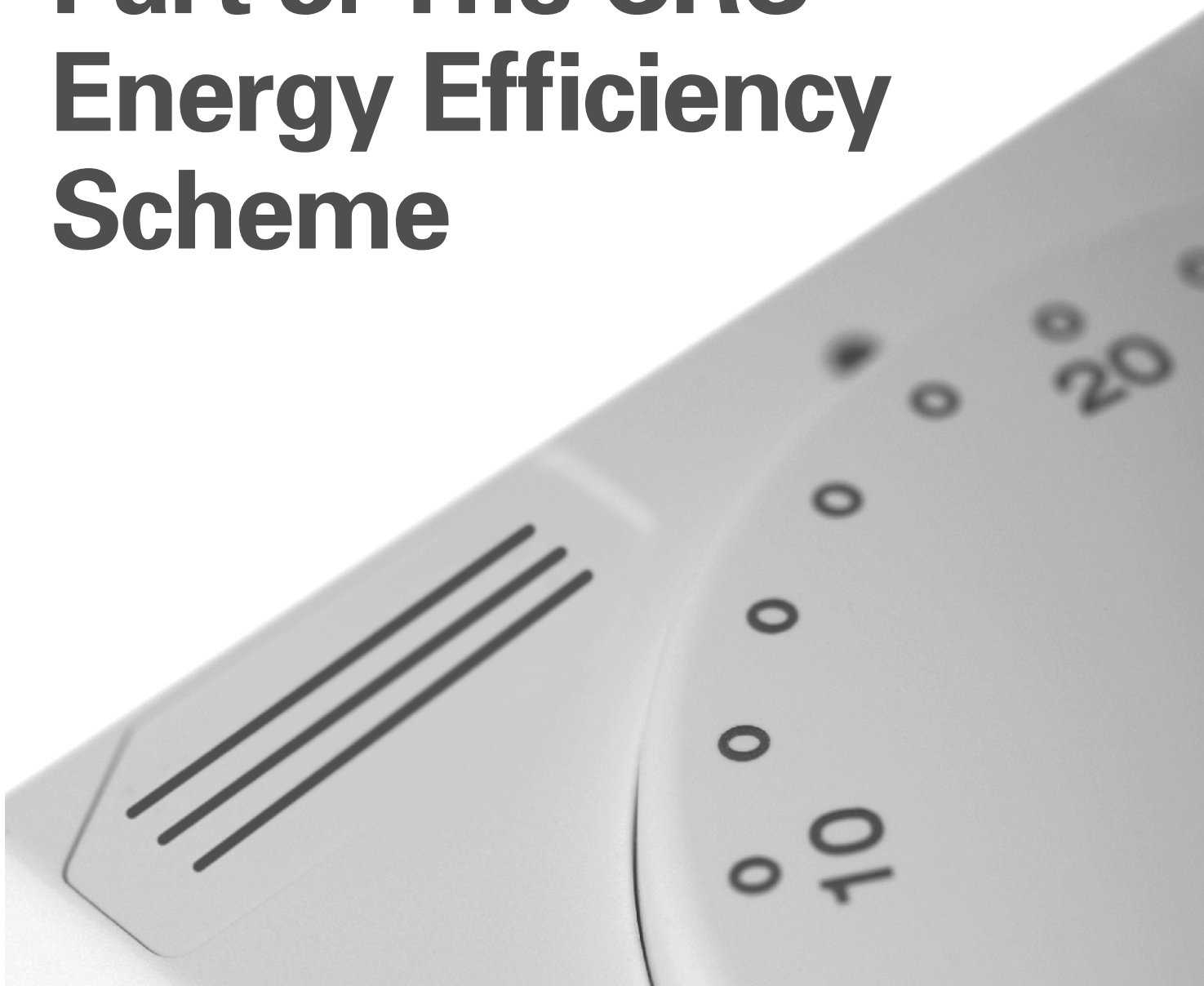
The Scottish Government should:

- take the opportunity when reviewing its Energy Efficiency Action Plan to ensure the actions relevant to the public sector are robust enough to achieve the pace of change required
- ensure its sustainability reporting framework provides consistent information on energy performance across the public sector.

Public bodies should:

- work with the Scottish Government to implement the actions relevant to the public sector in the Energy Efficiency Action Plan, and report progress to senior management
- ensure they have systems in place to collect accurate data on transport use and resulting CO₂ emissions
- build energy efficiency considerations into asset management and estate rationalisation decisions, involving energy officers or teams wherever possible.

Part 3. The CRC Energy Efficiency Scheme



Participants in CRC are required to monitor their emissions based on their energy use in buildings.



Key messages

- The CRC Energy Efficiency Scheme has raised the profile of energy efficiency in the public sector, and over half of public bodies are well prepared for involvement in it.
- Reducing energy use will help public bodies reduce the costs associated with the CRC Energy Efficiency Scheme.

The CRC Energy Efficiency Scheme is a UK scheme aimed at reducing emissions

61. The CRC Energy Efficiency Scheme (CRC), previously known as the Carbon Reduction Commitment, is a UK-wide scheme which started in April 2010. It aims to improve energy efficiency and reduce the amount of CO₂ emitted in the UK. Both public and private sector organisations are required to participate in CRC if they meet the qualification criteria, which are based on how much electricity they used in 2008. Emissions from energy intensive organisations (eg, power stations) are not included in CRC, as they are covered by the European Union Emissions Trading Scheme. The Environment Agency, which is responsible for protecting the environment in England and Wales, is the central CRC administrator for the whole of the UK.

62. In Scotland, 27 councils, 11 NHS territorial boards, six central government bodies, the National Waiting Times Centre Board and the Scottish Parliamentary Corporate Body are required to participate in CRC (see Appendix 1). These bodies accounted for 96 per cent of total public sector energy use during 2008/09.

63. Changes to the CRC were announced as part of the UK Government's Spending Review in October 2010. This report presents the most up-to-date picture possible. However, there is a consultation on the changes to the CRC ongoing and further consultations are expected during 2011.

64. Since April 2010, participants in CRC have been required to monitor their CO₂ emissions based on their energy use in buildings. Each year, participants have to buy allowances from the Environment Agency for each tonne of CO₂ they emit. The more CO₂ an organisation emits, the more allowances it will have to buy. The first sale of allowances will be in 2012, when participants will buy allowances for the CO₂ they emitted in 2011/12.

65. Each year, from 2011, organisations will have to report their energy use and resulting emissions from the previous year. These annual reports will be used to compile a performance league table, showing the relative performance of all participants in CRC. Performance will be assessed on three factors: change in annual emissions, change in emissions compared to revenue expenditure, and voluntary action taken to manage emissions (ie, installation of automated meter reading systems and formal certification of emissions reduction, such as the Carbon Trust Standard). The weighting of these three factors will change over the first three years of CRC, and from April 2013 performance will be based on the first two factors only.

66. The money raised through the sale of allowances was originally intended to be re-distributed among

CRC participants, based on their performance in the league table. Participants that performed well in the league table would have received more money back than those who performed badly. However, following the UK Government's Spending Review announcement in October 2010, the revenue raised through the sale of allowances will now go to the Treasury, rather than being re-distributed among participants in the scheme.

The CRC provides a financial incentive to reduce energy use

67. Reducing energy use is one way of reducing CO₂ emissions, and can help manage the risk of rising energy prices. By reducing energy use, organisations participating in CRC can also reduce the amount they have to spend on allowances for emissions.

68. Most of the public bodies participating in CRC have estimated the financial impact of the scheme. The cost of buying allowances for 2011/12 is estimated to be around £20 million (based on 43 public bodies). This ranges from £25,000 for a small central government body to over £3 million for Scottish Water. These estimates are based on the initial price for allowances of £12 per tonne of CO₂, although the price may change in future years. Public bodies will have to budget for the cost of buying allowances each year.

69. Reducing energy use will help public bodies reduce the cost of buying allowances for emissions. However, public bodies are facing difficult decisions due to increasing financial pressures in the public sector and this may make it more difficult to secure the investment needed to continually reduce emissions from energy use.

Over half of public bodies are well prepared for participation in CRC

70. When surveyed in May 2010, over half of participating public bodies had begun to prepare for future participation in CRC. Fifty-six per cent of public bodies were compiling a footprint report, including details of energy use and emissions during 2010/11, which has to be submitted by July 2011. Sixty-two per cent of public bodies had started to compile all the information demonstrating CRC compliance in an evidence pack, which needs to be kept updated from April 2011 onwards. Forty-nine per cent of participating public bodies were compiling both a footprint report and an evidence pack.

71. Almost all participating public bodies have nominated someone to take responsibility for participation in CRC. However, some public bodies reported that identifying the appropriate person for this role was challenging and caused delays in registering for participation in CRC. Where responsibility lies varies between public bodies, but tends to be with the energy management team, the facilities and estates team, or the finance department.

72. In May 2010, a third of public bodies still had to collect all the information needed to register for CRC by the September deadline. Many public bodies reported that determining which services and buildings qualified for inclusion in CRC led to delays in the registration process. This is a particular issue for buildings that are under a Public Private Partnership or a Private Finance Initiative agreement, for example some schools and hospitals. Depending on the individual contract, it may not be clear whether the public body or private company is responsible for the energy use and resulting emissions of the building.

73. CRC has driven improvements in the monitoring of energy use in many public bodies. Public bodies participating in CRC need to collect accurate data on energy use, to allow them to report their annual emissions. Of those public bodies participating in CRC, 78 per cent identified that changes were needed in their monitoring or reporting systems. Although only half of these had made the changes by May 2010, the requirement to collect accurate information for CRC is pushing public bodies to improve their energy monitoring systems. The environmental monitoring tool used by the NHS (eMART) has been updated to provide a tailored report on energy use and emissions specifically for participants in CRC.

74. The requirement to participate in CRC, and its financial implications, have helped raise awareness of energy efficiency among senior staff. All participating public bodies had taken steps to raise awareness of CRC at board or senior management level.

75. The Scottish Environment Protection Agency (SEPA) is responsible for auditing and regulating CRC compliance in Scotland. Participants will be audited by SEPA at least once every five years, from April 2011. As these audits are only every five years, internal audit could provide additional assurance on a more frequent basis.

76. All councils and NHS boards, and two-thirds of central government bodies, have sought advice from SEPA on participating in CRC. Three-quarters of public bodies have sought advice from the Environment Agency (85 per cent of councils, 83 per cent of central government bodies and 42 per cent of NHS boards).

Recommendation

The Scottish Government and public bodies should:

- build the CRC Energy Efficiency Scheme into their internal audit arrangements, to provide additional assurance to the Scottish Environment Protection Agency's five-yearly external audit.

Appendix 1.

Public bodies included in this audit

Councils	NHS bodies	Central government bodies
Aberdeen City Council ¹	NHS Ayrshire and Arran ¹	Accountant in Bankruptcy
Aberdeenshire Council ¹	NHS Borders ¹	Cairngorms National Park Authority
Angus Council ¹	NHS Dumfries and Galloway ¹	Crown Office and Procurator Fiscal Service
Argyll and Bute Council	NHS Fife ¹	General Register Office for Scotland ¹
City of Edinburgh Council ¹	NHS Forth Valley ¹	Highlands and Islands Enterprise ²
Clackmannanshire Council	NHS Grampian ¹	Historic Scotland
Comhairle nan Eilean Siar ²	NHS Greater Glasgow and Clyde ¹	HM Inspectorate of Education
Dumfries and Galloway Council ¹	NHS Highland ¹	Learning and Teaching Scotland
Dundee City Council ¹	NHS Lanarkshire ¹	Loch Lomond and Trossachs National Park Authority
East Ayrshire Council ¹	NHS Lothian ¹	National Archives of Scotland
East Dunbartonshire Council ¹	NHS Orkney	National Galleries of Scotland
East Lothian Council ¹	NHS Shetland	National Library of Scotland
East Renfrewshire Council ¹	NHS Tayside ¹	National Museums of Scotland ¹
Falkirk Council ¹	NHS Western Isles	Office of the Scottish Charity Regulator
Fife Council ¹	NHS 24	Quality Meat Scotland
Glasgow City Council ¹	NHS Education for Scotland	Registers of Scotland
Highland Council ¹	NHS Health Scotland	Royal Botanic Garden Edinburgh
Inverclyde Council	NHS National Services Scotland	Scottish Arts Council ³
Midlothian Council ¹	NHS Quality Improvement Scotland	Scottish Children's Reporter Administration
Moray Council ¹	National Waiting Times Centre Board ¹	Scottish Commission for the Regulation of Care
North Ayrshire Council ¹	Scottish Ambulance Service	Scottish Court Service ¹
North Lanarkshire Council ¹	The State Hospital	Scottish Enterprise ¹
Orkney Islands Council ²		Scottish Environment Protection Agency

Perth and Kinross Council ¹		Scottish Funding Council
Renfrewshire Council ¹		Scottish Government ¹
Scottish Borders Council ¹		Scottish Housing Regulator ²
Shetland Isles Council ¹		Scottish Legal Aid Board
South Ayrshire Council ¹		Scottish Natural Heritage
South Lanarkshire Council ¹		Scottish Police Services Authority
Stirling Council ¹		Scottish Prison Service
West Dunbartonshire Council ¹		Scottish Public Pensions Agency
West Lothian Council ¹		Scottish Qualifications Authority
		Scottish Social Services Council
		Scottish Water ¹
		Skills Development Scotland
		Social Work Inspection Agency
		SportScotland
		Student Awards Agency for Scotland
		Transport Scotland
		VisitScotland
		Water Industry Commission for Scotland
30 out of 32	22 out of 22	39 out of 41⁴

Notes:

1. These bodies are participating in the CRC Energy Efficiency Scheme. In addition, ten central government bodies are participating in CRC as part of the Scottish Government (Crown Office and Procurator Fiscal Service, Disclosure Scotland, Her Majesty's Inspectorate of Education, Historic Scotland, Scottish Housing Regulator, Scottish Prison Service, Scottish Public Pensions Agency, Social Work Inspection Agency, Student Awards Agency for Scotland and Transport Scotland). The Scottish Parliamentary Corporate Body is also participating in CRC.

2. These bodies did not complete the survey.

3. The Scottish Arts Council became part of Creative Scotland on 1 July 2010.

4. The Scottish Parliamentary Corporate Body also participated in our survey.

Appendix 2.

Checklist for councillors and non-executive board members

The table below sets out issues that councillors and non-executive board members in public bodies may wish to consider in relation to how their organisation is improving its energy efficiency.

Main report (page)	Issue	Questions for councillors and non-executive board members to consider
Part 1. Energy use		
Page 7	Energy use in public sector buildings is estimated to have risen by one per cent over the three years to 2008/09.	What progress is your organisation making in reducing its energy use?
Page 9	Annual average reductions in emissions of three per cent are needed across Scotland to meet the target in the Climate Change (Scotland) Act 2009 (reduce greenhouse gas emissions by 42 per cent by 2020 against a 1990 baseline). If the public sector is to set a good example and influence other sectors, it will need to strengthen its contribution and increase the pace of change.	Does your organisation have a plan to reduce its greenhouse gas emissions? What progress is being made?
Part 2. Improving energy efficiency		
Page 13	Nearly 85 per cent of public bodies have an energy efficiency strategy. Of these strategies, only nine are not supported by an action plan, outlining how objectives and targets to improve energy efficiency will be achieved.	Does your organisation have a written strategy to improve energy efficiency? Is it supported by an action plan?
Page 13	The majority of public bodies have identified champions at senior management level, to help drive forward measures to improve energy efficiency.	Does your organisation have an energy efficiency champion at senior management level? How is behavioural change to improve energy efficiency being encouraged throughout the organisation?
Page 13	Public bodies are increasingly setting their own targets for improving energy efficiency in their buildings and transport fleet.	Does your organisation have its own target(s) or performance indicator(s) on improving energy efficiency? How is it performing against the target(s)/performance indicator(s)?
Page 13	Around 85 per cent of public bodies have a system in place to collate information on energy use in their buildings. However, some public bodies lack the necessary staff resources to analyse and use this data effectively.	Does your organisation have a system in place to collect accurate information on energy use in the estate? Is this information being analysed to identify where improvements in energy efficiency can be made, and to calculate CO ₂ emissions?

Main report (page)	Issue	Questions for councillors and non-executive board members to consider
Page 14	Of the public bodies with a vehicle fleet, around two-thirds have a system in place to monitor the fuel consumption of their fleet. The remaining third need to identify ways to collect accurate data on transport use to allow them to assess fully their CO ₂ emissions.	Does your organisation have a system in place to collect accurate information on the use of its vehicle fleet? Is this information being analysed and used to improve performance and calculate CO ₂ emissions?
Page 14	Not all public bodies are reporting energy performance, such as the use and cost of energy, on a regular basis. The Energy Efficiency Action Plan encourages public bodies to report their energy use, and progress in trying to reduce it, regularly.	Is your organisation analysing and reporting information on energy performance (eg, the use of cost of energy and resulting CO ₂ emissions) to senior management level? Is performance reported regularly?
Page 15	Benchmarks can help public bodies identify areas for improvement by comparing their performance against similar organisations.	Does your organisation benchmark its energy performance against similar organisations?
Page 15	It is important that public bodies build energy efficiency considerations into refurbishments, new buildings and rationalisation of their estate.	Does your organisation have a policy or strategy in place to ensure that energy efficiency is always considered in any decisions relating to the refurbishment or rationalisation of buildings? Has your organisation put suitable arrangements in place to ensure this strategy is always followed?
Page 16	Three-quarters of central government bodies and around two-thirds of councils and NHS boards have procurement strategies stating that energy efficiency should be considered when buying all goods and services. The Sustainable Procurement Action Plan encourages public bodies to put a delivery plan in place during 2010 to ensure sustainable procurement practices are followed.	Does your organisation have a policy or strategy in place to ensure that energy efficiency is always considered when buying goods or services? Has your organisation developed a delivery plan to ensure sustainable procurement practices are followed?
Part 3. The CRC Energy Efficiency Scheme		
Page 18	Reducing energy use will help public bodies reduce the cost of buying allowances for emissions.	Is your organisation taking action to manage the costs associated with participation in the CRC Energy Efficiency Scheme?
Page 19	Participants in CRC will be audited by SEPA at least once every five years, from April 2011. As these audits are only every five years, internal audit could provide additional assurance on a more frequent basis.	Does your organisation's internal audit programme include the CRC Energy Efficiency Scheme?

Appendix 3.

Project advisory group membership

Audit Scotland would like to thank members of the project advisory group for their input and advice throughout the audit.

Member	Organisation
John Dunlop	Energy and Climate Change Manager, Health Facilities Scotland
Ron Hill	Property Officer, North Lanarkshire Council Chair, Scottish Energy Officers Network
John Holmes	Head of Emissions Trading Branch, Scottish Government
James Simpson	Policy Adviser, Energy Efficiency and Low Carbon Economy Unit, Scottish Government
Judith Young	Team Leader, Greener Scotland Directorate, Scottish Government

Note: Members of the project advisory group sat in an advisory capacity only. The content and conclusions of this report are the sole responsibility of Audit Scotland.

Improving energy efficiency

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ISBN 978 1 907916 07 6 AGS/2010/12

Printed on Revive 100 Uncoated, a Forest Stewardship Council (FSC) certified recycled grade containing 100% post consumer waste and manufactured at a mill certified with ISO 14001 environmental management standard. The pulp used in this product is bleached using an Elemental Chlorine Free process (ECF).

