



Usually, the development of an energy action plan is co-ordinated by the property manager, with input from the facilities manager, and shared with an asset manager for input and awareness.

The Better Buildings Partnership has published a template environmental plan within the [Green Building Management Toolkit](#). The key elements that should be considered are listed below:



## STEP 1: BUILD THE OUTLINE PLAN

An energy action plan can be structured in a way that meets the users' needs and preferred style. The following elements should be included:

**Action:** The action is a description of the initiative to be undertaken, usually transposed from the recommendations within an organisation's energy audits or other source of improvement opportunity.

Organisations may choose to categorise actions into four separate work streams:

- Energy efficiency or generation installations, both retrofit and new.
- Optimisation, for example through settings controls and procedures
- Behaviour change.
- Utility tariffs and contract structure.

**Owner:** The owner is the individual or team responsible for the delivery of the actions, and for ensuring that actions are not overlooked or unintentionally deprioritised.

When an organisation employs work streams, an owner can be assigned to at the workstream level to provide a tiered reporting and management structure that may aid delivery.

It may also be helpful to assign ultimate accountability for actions to members of an Oversight Committee, or collection of senior staff, who are accountable for the overall delivery of the Action Plan.

**Completion and review dates:** The completion date should be differentiated from the delivery date to help ensure that an organisation appraises the successes of their actions. This, in turn, can inform the viability of, or the approach to, other actions within the plan.

- Delivery date: The date by which the action is delivered.
- Completion date: The date from which the impact of the initiative has been reviewed.

## STEP 2: PRIORITISE ACTIONS

It is important to prioritise actions within an energy plan based on key factors such as cost and the expected contribution of actions to the delivery of energy and carbon reduction targets.

**Cost:** The anticipated financial costs of the actions set out with the plan.

Including reference to cost can help to identify where there is flexibility in budgets, or where there will be a requirement to take into consideration in future years' budgets.

Cost can be stated in:

- Absolute terms, i.e., the cost of equipment, human resources or consultancy services, for example.
- Relative terms, i.e., the cost per tonne of CO<sub>2</sub> saved over the lifetime of the action. This is particularly pertinent for plant replacement and energy efficiency/generation installations.

**Contribution:** The anticipated reduction against the organisational baseline, or quota against a defined target.

Including reference to contribution can help to structure delivery in a way that best meets the organisational roadmap for energy reduction and decarbonisation.

## STEP 3: CONSIDER FUNDING SOURCES AND STAKEHOLDERS

It is important to undertake adequate preparation for the development of an energy action plan. This should include consideration of appropriate sources of funding for the delivery of actions. This can help to ensure that:

- Costed opportunities are afforded the necessary investment.
- Stakeholders (particularly those deemed critical to the implementation of opportunities) are engaged, responsibilities are clarified and communicated, and permission is sought from line managers to release them to the delivery of required actions.

### Funding sources:

Funding can potentially be derived from a variety of sources, including, for example:

**Service Charges:** The use of the Service Charge to deliver energy efficiency opportunities can be appropriate where the installation of new equipment, or the replacement of existing plant prior to the end of its natural life, would be classed as an improvement, rather than a replacement to existing infrastructure.

Service charges should not generally include the cost of improvement above the cost of normal maintenance, repair and replacement. However, where asset manager and occupiers will both clearly benefit from the introduction of new innovations or additional improvement or enhancements of the building fabric, plant, or equipment:

“the service charge may include such costs where the expenditure can be justified following analysis of reasonable options and alternatives, and having regard to a cost-benefit analysis over the term of the occupiers' leases.”<sup>1</sup>

<sup>1</sup> <https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/sector-standards/real-estate/service-charges-in-commercial-property-1st-edition.pdf>

Managers should communicate any proposals clearly to occupiers, including providing the facts and figures to support and justify such a proposal.”

**Revolving Investment Funds:** These are cost neutral loan schemes, where an asset owner provides funding to deliver energy efficiency opportunities within the asset and recovers a share of the savings from the service charge until such time as the fund is replenished.

The costs to the service charge, and hence tenants, remain (at worst) neutral until such time as the loan is repaid, after which the full benefit of the energy efficiency opportunity is passed through to the service charge.

**Profit and Loss Accounts:** This involves the asset manager covering the cost of energy efficiency improvements from their own funds, and the Service Charge is unaffected.

While this may not be considered a commercially attractive option, the ability to deploy funds quickly and efficiently can yield faster results, which in turn can be leveraged for commercial gain. This can include a lower service charge, or the promotion of a green building in securing longer, or better value lease arrangements with prospective tenants.

**Grants:** Occasionally, grants will be made available to organisations for the delivery of energy efficiency opportunities, particularly in the advancement of innovation. In these instances, the asset manager recoups their investment by meeting stringent conditions in the deployment of funds.

### Stakeholders

Often, the delivery of energy saving opportunities within a plan will be contingent on the availability of specialist resource, such as an Asset Technical Manager, or a particular consultancy.

In addition, as preferred partners for the delivery of opportunities may already have project pipelines in place, it is important that relevant parties are contacted, and availability is confirmed as part of prioritising opportunities.

The application of funding and stakeholder consideration can inform the prioritisation of actions in a way that can lead to efficient delivery and management, and help to ensure that targets are met. For example:

Opportunity	Resource	Funding	Contribution to Target	Delivery Order
A	Not available until next Service Charge year	Available, Service Charge	10%	3
B	Available	Available, Service Charge	15%	2
C	Available	Available, Grant (Time Limited)	5%	1
D	Available	Budget committed, next Service Charge year	5%	4

## STEP 4: MONITOR AND REPORT PROGRESS

An energy action plan should be treated as a live document, which should be updated and edited in line with progress and restrictions in its delivery.

Regular reviews should be held by an Oversight Committee to appraise progress and assist in the alleviation of bottlenecks and barriers where required.

Progress in delivering the action plan can be illustrated in a number of ways, for example:

**Dashboard:** An action plan could be linked to a dashboard, with summary charts and tables which represent progress through, for example:

- The number of actions delivered.
- The percentage of energy or carbon reduction target achieved.
- The most impactful projects delivered.

**Change Log:** An action plan should include a Change Log which contains records of any changes made during the action plan life cycle.

The Change Log tracks the progress of each change based on its:

- Review.
- Approval (or rejection).
- Implementation.
- Closure.

The change log also contains the date of the change. This is useful for tracking any changes in prioritisation, and indeed might help identify ongoing issues in delivery, as well as the completion of actions over time.

**RAG Status:** RAG is an abbreviation for Red, Amber, Green – a simple, visual ‘traffic light’ system for rating progress against each action.

**Comments:** A comments section can help contextualise RAG performance, as well as provide an overview of the success of each action once complete.