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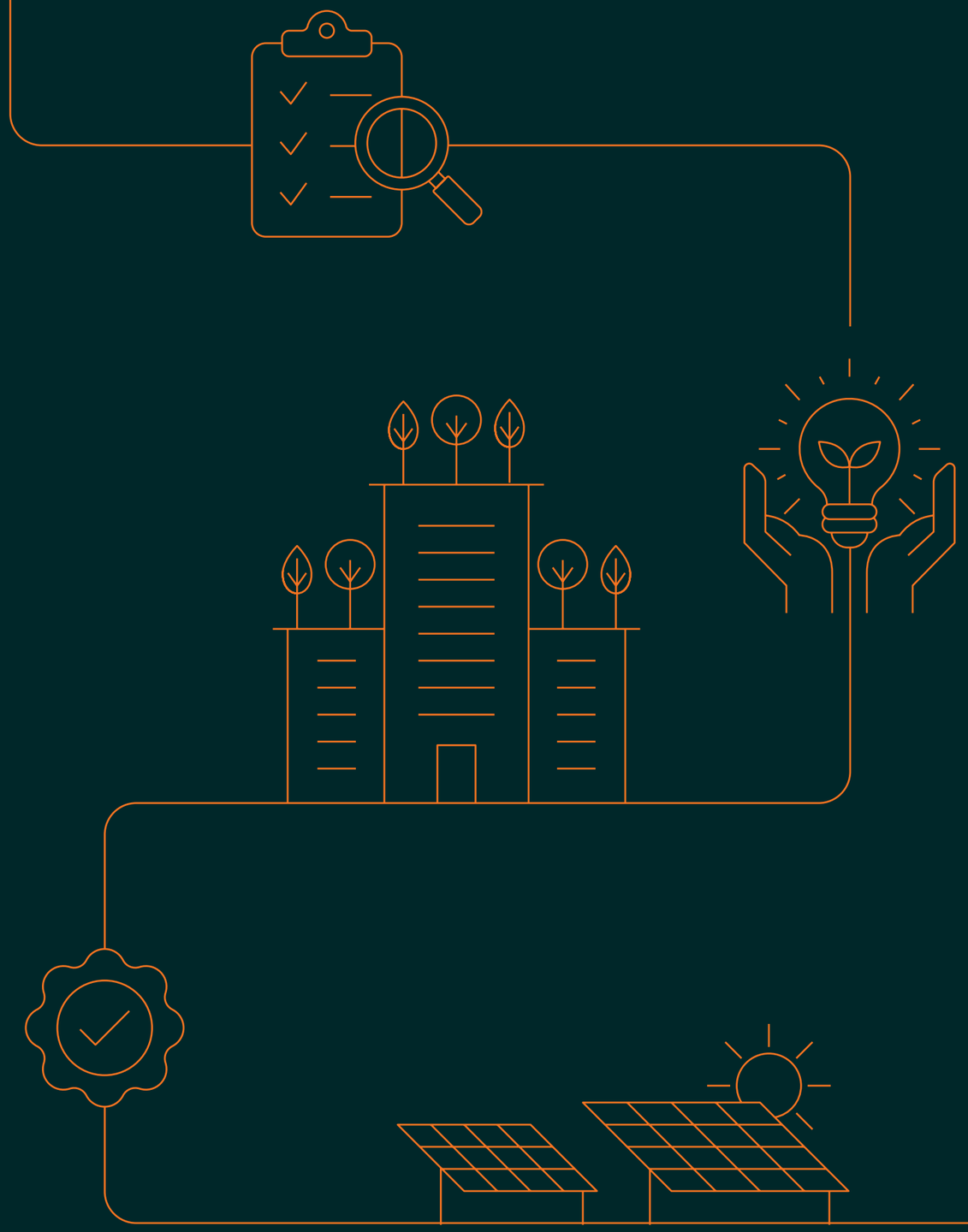
ESOS Phase 4 for Care Homes

Your guide to turning compliance into cost savings, energy efficiency and better estate performance.



Your trusted energy partner



As a care home provider, energy is one of your largest controllable operating costs. Even small operational improvements can deliver meaningful savings across your estate without compromising resident comfort or quality of care.

This guide explains the Energy Savings Opportunity Scheme (ESOS) and demonstrates how compliance can deliver practical opportunities to reduce energy consumption, lower carbon emissions and cut costs.

Let’s begin

Do you need to comply with ESOS?

ESOS is a mandatory energy assessment scheme for large organisations. You must comply if either of the following applies to your care home:

- **250+ employees**
- **Turnover above £44 million and balance sheet above £38 million**

Qualification can apply at group level, which means many care home groups are required to participate, even where individual entities fall below these thresholds.

Preparing for ESOS Phase 4

ESOS is a four-yearly compliance programme, with the current Phase 4 compliance period running from:

6 December 2023 – 5 December 2027

The ESOS Phase 4 qualification date is:

31 December 2026

Action plan submitted by:

5 December 2028

Progress updates:

5 December 2029
5 December 2030
5 December 2031

How to comply with ESOS

1. Calculate and submit

- Calculate your total energy consumption
- Identify your areas of significant energy consumption
- Complete the required audits for one year's consumption, under the direction of a Lead Assessor
- Submit your ESOS notification of compliance on the MESOS portal
- Keep records of compliance in an evidence pack

2. Complete an action plan

- What do you intend to do to reduce energy consumption?
- When do you intend to do it?
- What energy savings do you expect to achieve over the four-year period covered by the action plan?
- How did you estimate these savings?

3. Complete an Annual Review

An Annual Review to update on progress is required, summarising the energy saving actions you've taken against those outlined in your action plan.

The deadline for submission is 12 months after the action plan deadline, and then 12 months after the submission deadline for the first progress update. For ESOS Phase 4, the deadlines are 5 December 2028 and 5 December 2029. Each progress update relates to the 12-month period preceding the deadline.



Why ESOS matters for care homes

Care homes are among the most energy-intensive building types in the UK. Heating, hot water, lighting, catering, and laundry all drive significant energy demand.

And unlike traditional commercial buildings, care homes typically operate 24 hours per day for 365 days per year.

Identifying and addressing energy waste can significantly reduce operational costs while maintaining resident comfort and service quality.

What can you gain from ESOS compliance?

We manage ESOS compliance for several care homes where heating is consistently the single largest area of energy use, representing between 75% and 85% of consumption. Other activities that drive high energy consumption in care homes include:

- **High domestic hot water demand**
- **Extensive laundry operations**
- **Commercial kitchen facilities**

Across the care homes we audit, some common themes emerge:

- **Overheating caused by poor controls**
- **Residents opening windows during heating periods**
- **Boilers operating continuously**
- **Limited visibility of energy data**
- **Missing or damaged insulation**
- **Behavioural energy waste**
- **Lack of centralised control systems**

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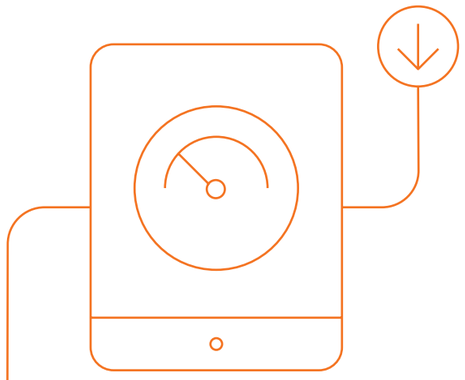
Our ESOS audits consistently identify quick-win opportunities to reduce energy consumption and costs, often without requiring any capital investment.

The biggest savings opportunities

Heating controls

Poor heating management is a common challenge for the care homes we audit. From fine-tuning heating to compensate for the weather; to adjusting timings and implementing night setback temperatures, taking control of the heating within your care home can deliver measurable savings. Typically a reduction of just 1°C in occupied spaces can reduce heating consumption by around 8%.

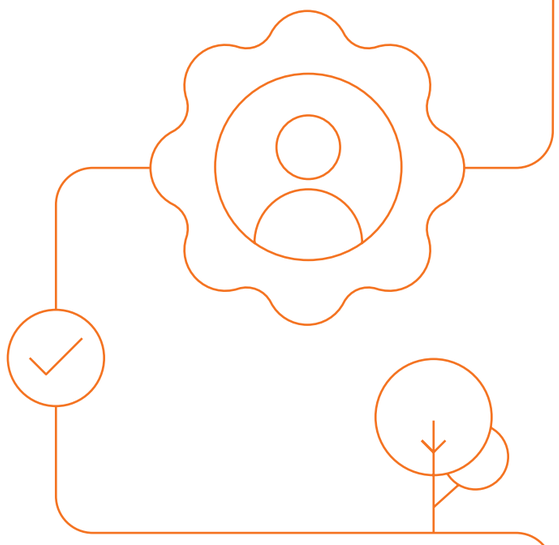


Staff awareness and behaviour change

Energy waste is common in any business, but in care homes operating around the clock it can add up fast. That means it's a big opportunity for savings. Typical efficiencies we identified from applying good housekeeping are 5-10% of annual energy consumption.

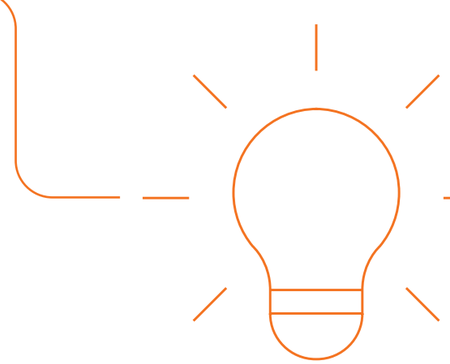
Common areas of energy waste in care homes include:

- Lights left on unnecessarily
- Windows open during heating operation
- Manual overrides
- Poor thermostat management



Building Management Systems

A Building Management System (BMS) that isn't effectively controlled can add up to wasted energy over time. Opportunities to optimise the BMS include reviewing time schedules, adjusting the temperature setpoints in different rooms, and reviewing the boiler flow/return temperatures. By optimising the BMS on an ongoing basis, care homes can see significant annual savings.



Low-cost opportunities with fast payback



Pipework insulation

We often see bare valves, missing lagging and exposed hot water pipework. These are easily addressed and typically offer a payback within six months.

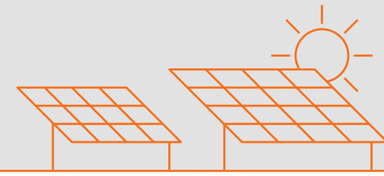
LED upgrades and controls

Upgrading any legacy fluorescent lighting to modern LED and investing in technology such as motion sensors can deliver paybacks in under two years.

Future investment opportunities



Solar is consistently a compelling investment for care home providers looking to reduce energy overheads. Buildings are often large enough to accommodate a good roof array and the consistent electrical demand makes it a feasible option.



Care homes can often expect to offset between 13% and 18% of annual electricity consumption, while reducing reliance on the grid and future-proofing supply, which is critical for operation.

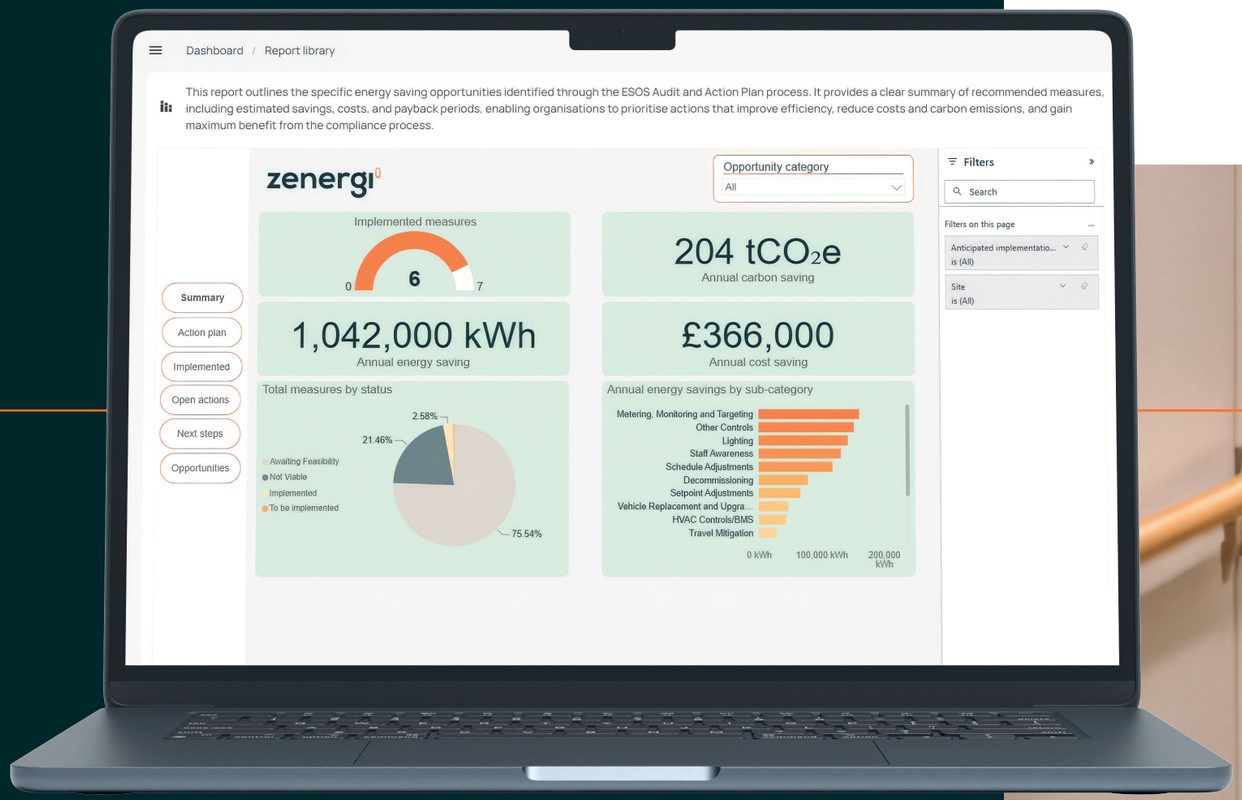
How can Zenergi support your ESOS compliance?

Navigating ESOS compliance can be complex, especially if you have several sites, and multiple buildings.

Identifying and addressing energy waste can significantly reduce operational costs while maintaining resident comfort and service quality.

Usually an assessment will be completed over several months, allowing sufficient time for data collection, site surveys, reporting and board approval before the compliance deadline.

With one of the UK's largest in-house teams of accredited Lead Assessors, we can mobilise quickly and manage every aspect of your ESOS compliance.



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Our robust quality assurance process ensures every ESOS submission is compliant, accurate and audit-ready. That's why we have a 100% success rate for quality checks of our submissions with the Environment Agency.

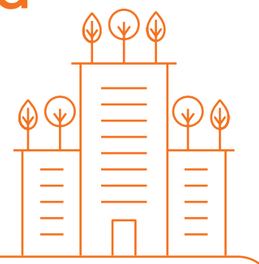
ESOS Annual Review includes a dedicated client dashboard summarising opportunities and helping you celebrate your energy-saving achievements. It exceeds minimum compliance requirements and offers insights that can be exported for your board reports including:

- **Projected savings visibility**
- **Payback analysis**
- **Implementation tracking**
- **Executive reporting capability**



What does our fully managed ESOS service include?

A comprehensive solution designed for organisations seeking end-to-end support.



Including:

- Full data collection management
- Site audits
- Compliance reporting
- Action Plan support
- Annual Progress updates
- Interactive savings insights
- In-house engineering expertise

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Results you can trust

Through ESOS Phase 3, Zenergi helped clients identify:

£5.97 million
Potential cost savings

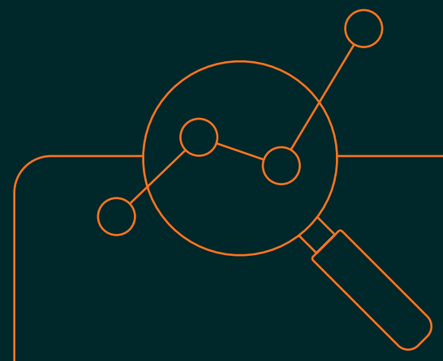
29,730 MWh
Potential energy savings

5,134.8 tCO_2e
Potential carbon savings



Ready for ESOS Phase 4?

Whether you need a fast compliance solution through ESOS Lite or a fully managed programme that takes care of every aspect of data collation, reporting and compliance, Zenergi has the expertise and resources to help.



And ESOS is just the start. Many organisations use their ESOS findings as a roadmap for improving energy performance, reducing costs and prioritising investment across their estate.

As your outsourced energy management partner, we can support everything from energy procurement and contract management to bill validation, budget forecasting and energy data management.

This helps ensure you're not only compliant, but also making informed decisions that deliver ongoing savings and operational efficiencies.

If you want to act on the recommendations within your report, we also have the in-house technical and engineering expertise to help identify, develop and implement energy-saving projects that deliver measurable results.



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Why organisations choose Zenergi:

- 100% quality success rate
- One of the UK's largest teams of accredited Lead Assessors
- Dedicated care sector expertise
- Nationwide delivery capability
- Action Plan and Progress Update support
- Interactive savings insights
- In-house Mechanical, Electrical and Public Health (MEP) engineering expertise
- Expert energy procurement and trading team
- Proven track record of identifying significant cost, energy and carbon savings

With Zenergi, the Energy Savings Opportunity Scheme is more than compliance, it is a real opportunity to reduce energy consumption, lower carbon emissions and cut costs.



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Get ready for ESOS Phase 4 and turn compliance into energy savings

Contact our ESOS specialists today to discuss your Phase 4 requirements and discover how your care homes could reduce costs, improve efficiency and turn compliance into a strategic advantage.



Start a conversation with our team today:
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02380 286300

Discover how we can help you.

