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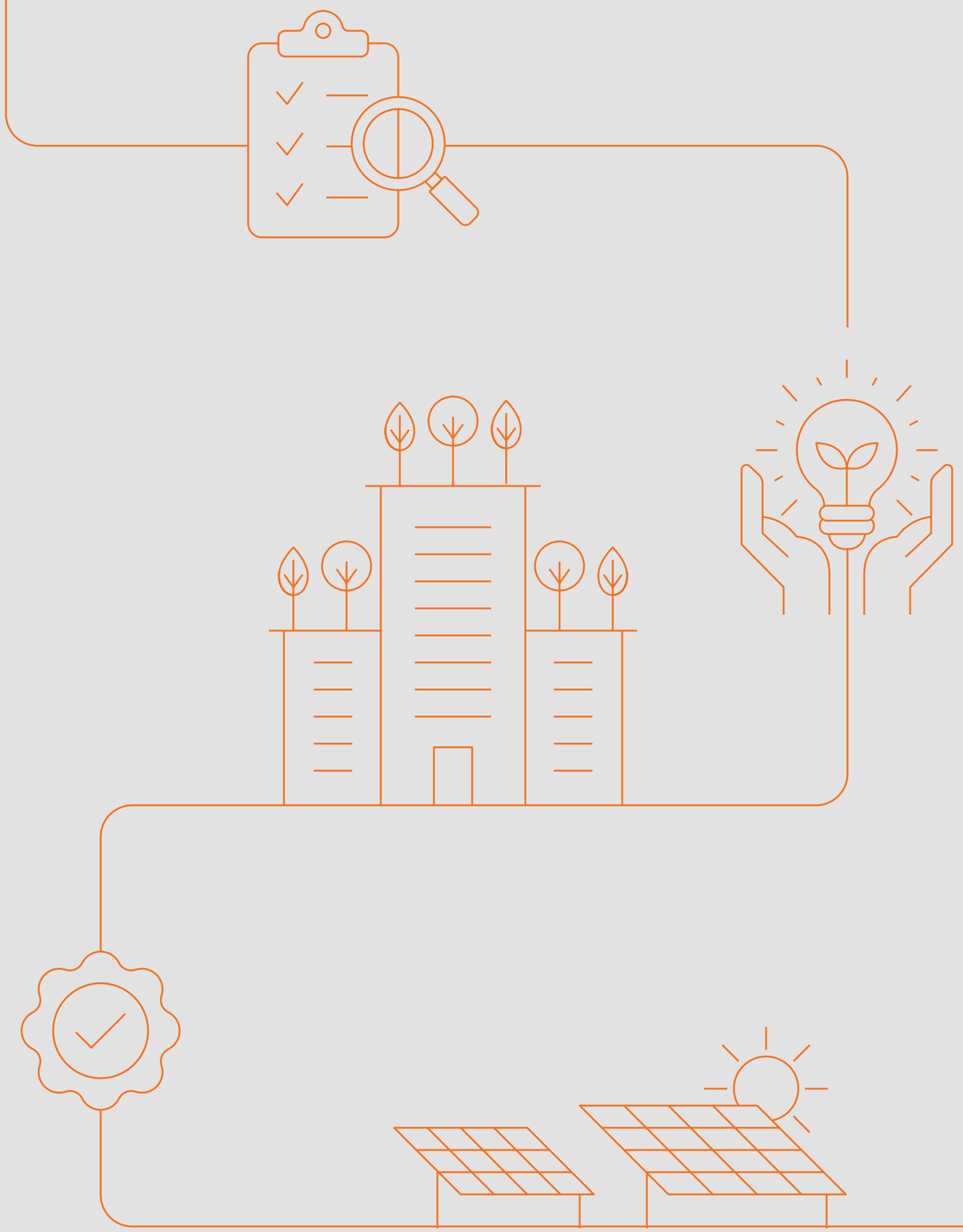
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Energy Management Handbook

A guide to navigating energy in care homes.



Your trusted energy partner



Energy is one of the biggest costs for any care home, and when wholesale prices spike, your bills rise fast.

The right purchasing strategy reduces your exposure to price rises. Staying compliant and understanding how your homes use energy can uncover further savings.

Care homes run around the clock, which means there's usually lots of opportunity to cut consumption. But few care homes employ a dedicated energy manager, so the responsibility often falls to busy operational teams with an ever-growing to-do list.

This guide explains the essentials, shows you where to start, and how we can help.

Let's begin

Understanding your energy costs

Energy is traded on global markets. That means events thousands of miles away can change what a care home pays to keep residents warm and operations running.

Since Russia invaded Ukraine in 2022, energy markets in the UK and Europe have changed fundamentally. As Russian pipeline gas supplies fell, wholesale gas and electricity prices rose sharply. Europe responded by importing more liquefied natural gas (LNG) from the US and Qatar, and more gas from Norway. This created a more international market, but also one that reacts to events around the world.

In 2026, conflict in the Middle East disrupted shipping through the Strait of Hormuz and cut supplies from the Gulf, pushing prices up again. Europe's energy sources are more varied than they were, but it remains exposed to global events.

Today, many factors can affect energy prices, including:

- conflict and politics
- shipping routes
- gas storage levels
- cold or mild weather
- how much wind and nuclear power is available
- competition with Asian buyers for LNG cargoes

With prices this sensitive to world events, how and when you buy energy matters more than ever. If no one in your organisation has time to watch the market, an energy partner can do it for you.



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Understanding your energy costs

Non-commodity costs

Typically, only around half of your energy bill relates to the actual wholesale cost of energy. A growing portion of bills is made up of non-energy costs, also known as non-commodity costs. These are taxes, levies, subsidies and costs for getting energy to your sites.

Commodity prices escalated sharply in 2022 during the "Energy Crisis" and prices are currently tracking close to those levels again.

Markets remain volatile despite expectations of increased renewable generation throughout the next decade. Geopolitics, weather and gas storage concerns all add pressure, which buoys prices.

Non-commodity prices are quickly overtaking the commodity element as the biggest portion of your bill. More investment is needed in networks to pay for the clean energy transition.

Some of the key non-commodity charges affecting your bills

The Nuclear RAB Scheme: Last year a new charge will have appeared on your bill to support new nuclear projects, starting with Sizewell C in Suffolk. Instead of developers shouldering all the upfront risk, Ofgem allows them to recover some costs directly from your bills.

Transmission Network Use of System (TNUoS) charges recover the cost of building and maintaining the high-voltage transmission network. TNUoS residual charges rose by an average of around 64% year on year from April 2026.

Distribution Use of System (DUoS) covers the lower-voltage local networks that deliver power to homes and businesses.

Recent reforms aim to simplify the system by moving towards more fixed rates, making it fairer and encouraging investment in renewables. For most, though, this will still mean higher costs. If your capacity level (kVA) is set too high, you could look to reduce it which may lower your pricing band. But beware of any future decarbonisation work you may undertake which may require more electricity.

Understanding procurement

If you choose to work with an energy broker to remove the hassle of energy procurement and avoid the risk of buying at the wrong time, be aware that **not all brokers work in the same way**, or offer the same services.

Things to consider:

Review your contracts early: Securing a fixed-price renewal may protect you from higher rates.

Look at pass-through options: Allowing certain charges to pass through directly can sometimes reduce supplier premiums.

Plan ahead: Build the likelihood of rising non-energy costs into long-term budgets.

Review your capacity: If you are not using all your capacity, you might want to consider dropping to a lower charging band. But beware of any future decarbonisation work you may undertake which may require more electricity.

What to watch out for when signing a contract:

Incredible savings rates: If you see offers promising to save you 40% or more on your energy bills, proceed with caution.

Your long-term needs: Consider the big picture. If you're focused on decarbonisation and considering solar panels to reduce energy consumption, make sure your contract doesn't penalise you for under usage.

Unfair comparisons: Beware of energy offers prepared using lower volume assumptions. These might appear to be a better deal overall, until you apply the relevant unit rates to the same consumption figures.

Support beyond the contract: A delayed contract start can end up being expensive and energy-related admin can be time-consuming.

Fixed procurement locks you in for a set period of time, usually one to three years.

The price is fixed for the duration of the contract so all the risk is carried by the energy supplier.

Pros: Usually less complex and provides budget certainty as the price is known up-front for the length of the contract, which also protects you from market spikes.

Cons: As there is no risk to you, prices will generally be higher and you will not gain from lower prices should the energy market fall.

Flexible procurement allows you to control the amount of energy you buy and when you buy it.

These contracts also allow for full transparency on non-commodity costs and supplier administration charges.

Pros: Greater potential to save money by benefitting from market dips.

Cons: Requires active management and market monitoring, so expertise is a necessity.



Flexible buying for care homes of any size

Through our managed baskets, we pool the energy needs of several organisations.

That means even smaller care homes can enjoy the benefits of flexible buying and the purchasing power of a larger group.

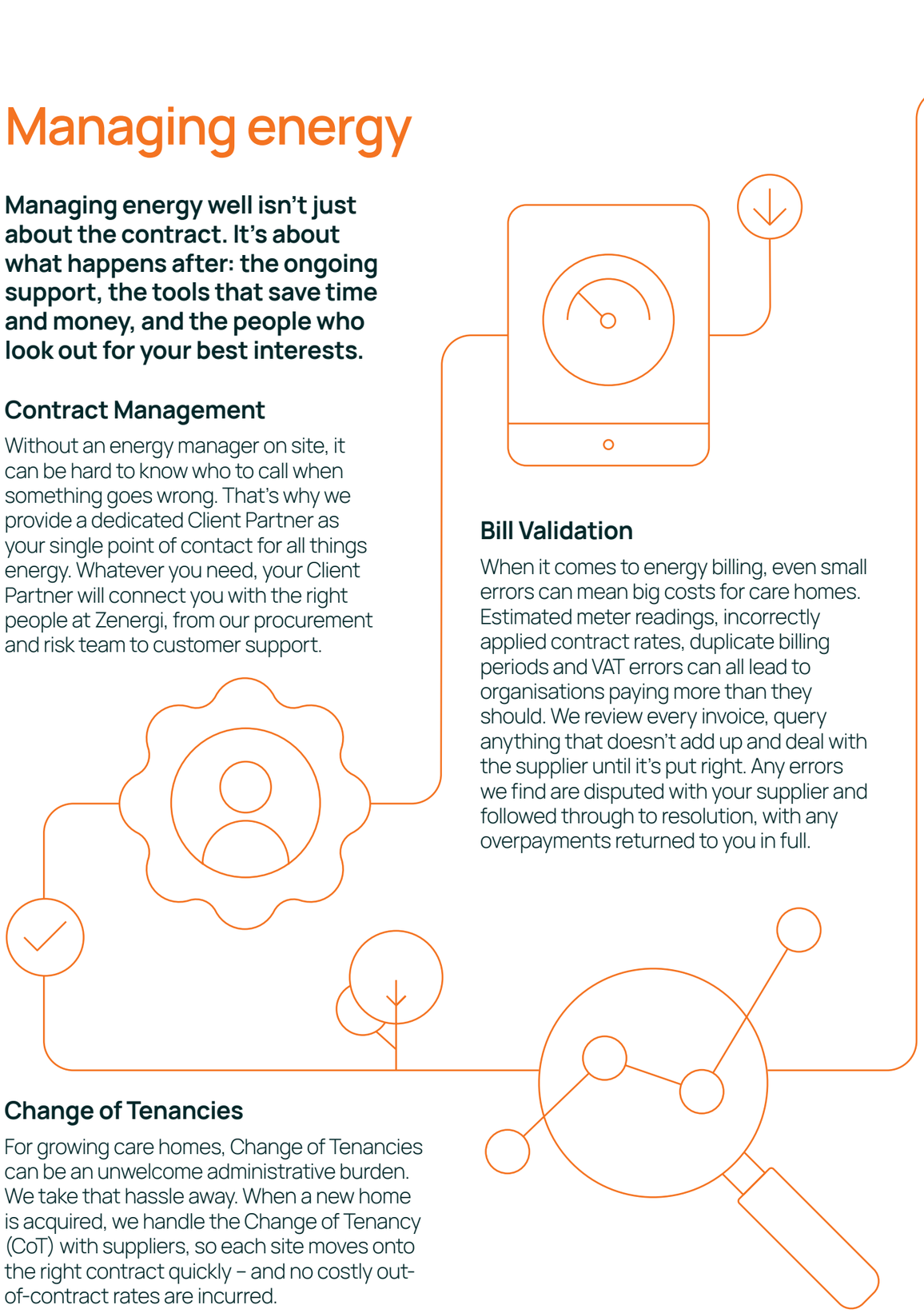
Our risk team trades on your behalf, and you can see every purchase in our Portal, showing how much of your energy requirement has been secured, what remains exposed to future market prices and how your achieved prices compare with current market conditions.

Managing energy

Managing energy well isn't just about the contract. It's about what happens after: the ongoing support, the tools that save time and money, and the people who look out for your best interests.

Contract Management

Without an energy manager on site, it can be hard to know who to call when something goes wrong. That's why we provide a dedicated Client Partner as your single point of contact for all things energy. Whatever you need, your Client Partner will connect you with the right people at Zenergi, from our procurement and risk team to customer support.



Bill Validation

When it comes to energy billing, even small errors can mean big costs for care homes. Estimated meter readings, incorrectly applied contract rates, duplicate billing periods and VAT errors can all lead to organisations paying more than they should. We review every invoice, query anything that doesn't add up and deal with the supplier until it's put right. Any errors we find are disputed with your supplier and followed through to resolution, with any overpayments returned to you in full.

Change of Tenancies

For growing care homes, Change of Tenancies can be an unwelcome administrative burden. We take that hassle away. When a new home is acquired, we handle the Change of Tenancy (CoT) with suppliers, so each site moves onto the right contract quickly – and no costly out-of-contract rates are incurred.

Water Procurement

Comparing water suppliers, quotes, service levels and payment terms takes time. We can assess your needs and recommend the best option, so you're not paying more than you should for water and wastewater services. We can also validate your bills, benchmark your usage and carry out a water audit to find leaks and further savings.

VAT and Climate Change Levy relief

Most care homes that provide residential accommodation qualify for the reduced 5% rate of VAT on their energy, rather than 20%, and are exempt from the Climate Change Levy. To get these reductions, your supplier needs a valid VAT declaration for each site. If a declaration is missing or out of date, you could be overpaying on every bill. We can check your sites are set up correctly and help you reclaim overpayments where possible.

A Portal that puts you in control

Without someone to analyse your data, it's hard to know where energy is being wasted. Our Portal brings your consumption, meter data, site information and costs together in one place, so you can see what's happening across your homes. You can track energy use and costs for each site and compare homes side by side. That makes it easy to spot which buildings are using more than they should, and where to focus first.

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Is your current energy arrangement working for you?

If your energy procurement arrangement doesn't tick the right boxes, it might be time to consider an alternative. Check whether your current arrangement gives you the support you need.

- [ ] Can you access a range of contract types, including fixed and flexible options, to suit your budget and risk appetite?
- [ ] Are broker fees, commissions or uplifts clearly disclosed?
- [ ] Does the service include proactive bill validation?
- [ ] Are supplier queries, disputes and billing issues managed on your behalf?
- [ ] Is proactive support available if issues arise during the contract term?
- [ ] Can you easily access up-to-date reporting and insights to help manage costs and reduce consumption?
- [ ] Do you know your current supplier's termination notice period and requirements?
- [ ] Does your arrangement include help to set and manage a budget?

Ensuring compliance

Without a dedicated compliance resource, it's easy to lose track of energy regulations.

Depending on your size and buildings, your care homes may need to comply with schemes such as the Energy Savings Opportunity Scheme (ESOS), Streamlined Energy and Carbon Reporting, and TM44 Air Conditioning Inspections.

Each one also gives you useful data that can point to energy and cost savings.

Energy Savings Opportunity Scheme (ESOS)

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

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

- **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. The Phase 4 qualification date is 31 December 2026, and you must notify compliance by 5 December 2027. Without someone in-house to lead it, measuring your energy use, finding where it's highest and managing the reporting on top of the day job takes a lot of time.

We have one of the UK's largest in-house teams of ESOS Lead Assessors. That means we can handle every part of your ESOS compliance, from the audit to the submission, even on tight timescales.

Every submission goes through our quality assurance process, and we have a 100% pass rate for Environment Agency quality checks.



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Streamlined Energy and Carbon Reporting (SECR)

SECR requires quoted companies, and large unquoted companies and LLPs, to report their annual energy use, carbon emissions and energy efficiency actions in their directors' report.

You need to comply if your organisation meets two or more of the following:

- **250+ employees**
- **turnover above £36 million**
- **a balance sheet above £18 million**

These thresholds didn't rise with the April 2025 changes to company size limits, so many care home groups now classed as medium-sized for their accounts must still report.

We can collect and check your energy and fuel data, calculate your emissions and prepare clear, compliant disclosures ready for your annual report, saving your finance team time and giving you a robust audit trail.

TM44 Air Conditioning Inspections

A TM44 inspection is a legal requirement for any care home with air conditioning systems with an effective rated output of 12kW or more. Inspections must be repeated at least every five years, and you should keep a copy of the latest report.

Our TM44 service includes a full inspection of your existing air conditioning system(s) by an accredited assessor. We assess system efficiency, identify faults and provide clear, practical advice on how to improve performance and reduce operating costs. Following the inspection, you will receive a detailed report outlining findings and next-step recommendations, including estimated costs and projected return on investment.

As well as keeping you compliant, the inspection gives you useful data to help cut energy use.



Energy efficiency in your care home

In care homes, many of the biggest savings come from simple changes. The opportunities here are drawn from the ESOS audits we carry out across care homes.

Low-cost opportunities and quick wins:

Heating controls

Poor heating management is a common challenge for care homes. A poorly placed thermostat can cause both under and over heating, both of which can result in energy wastage. Turning a thermostat up to maximum won't achieve the set point any quicker, it will just result in overheating. Where it's safe to do so, such as in offices, corridors and unoccupied rooms, reducing temperatures by just 1ºC can cut 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. Staff awareness is one of the easiest ways to save. In the care homes we audit, good housekeeping alone typically saves 5–10% of annual energy use. Naming an energy champion in each home can help keep good habits going.

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 (BMS)

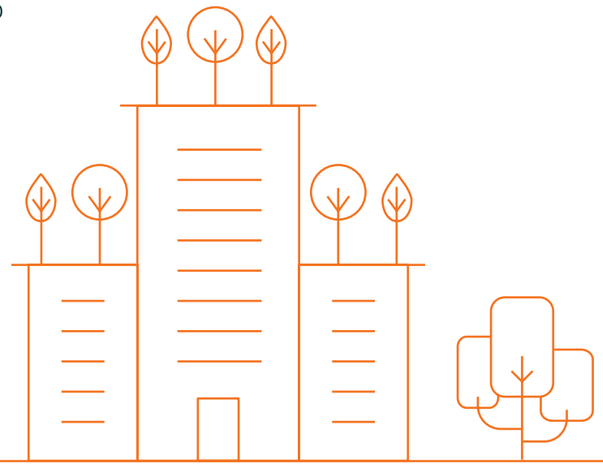
A poorly controlled BMS can waste energy every day without anyone noticing. Opportunities to optimise your BMS include:

- **Reviewing time schedules**
- **Adjusting the temperature setpoints in different rooms**
- **Reviewing the boiler flow/return temperatures**

Pipework insulation

Addressing your pipework typically offers a payback within six months. Look out for:

- **Bare valves**
- **Missing lagging**
- **Exposed hot water pipework**



Lighting

Upgrading legacy fluorescent lighting to modern LED lighting will offer a brighter, more welcoming space, as well as reducing long-term maintenance costs. Here are some other lighting quick wins:

- **Only use lights when daylight is inadequate**
- **Consider motion sensor lights for areas where footfall is low**
- **Keep roof lights, windows and light fittings clean**
- **Encourage all users to switch off lights**

Electrical equipment

All the electrical equipment left on around your home 24/7 can quietly cost more than it should.

- **A laser printer left on for 24 hours will add costs of £100/yr per printer**
- **Photocopiers left on overnight for 12 hours costs an additional £350/yr**
- **Use the ECO settings**
- **Do you need to print? (consider printer cartridges, paper)**
- **Turn off televisions at the socket, instead of using standby**

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Longer-term investment measures

Solar is often a strong long-term investment for care homes looking to reduce energy costs.

Care homes can often expect to offset between 13% and 18% of annual electricity consumption, while reducing reliance on the grid and making costs more predictable.

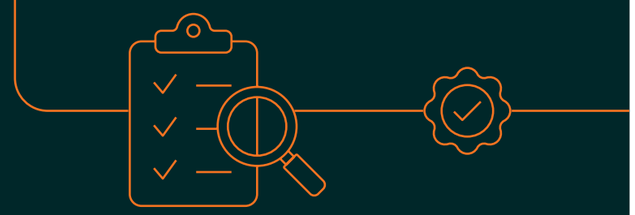
Get on top of your energy efficiency: take a walkaround

Our easy-to-use checklist is designed to help you take a quick weekly walkaround of your site, enabling you to:

- **Spot inefficiencies and areas of unnecessary consumption**
- **Take immediate action to reduce wastage**
- **Track changes and monitor ongoing improvements**
- **Engage your team in sustainable practices**



Energy walkaround checklist



Stay on top of your energy usage, identify wastage, and implement immediate savings by conducting a weekly walkabout using the below checklist.

Date

	Category	Item	Checked?	Action/comment
01	Heating	Are occupants comfortable with the heating temperature?	Yes No	
02	Heating	Are any portable heaters in use?	Yes No	
03	Heating	Is anything blocking the heaters/radiators?	Yes No	
04	Heating	Are any unoccupied areas being heated?	Yes No	
05	Heating	Are any windows open while the heating is on?	Yes No	
06	Heating	Are there any heat emitters close to thermostats?	Yes No	
07	Heating	Are the set times on the thermostat correct?	Yes No	
08	Heating	Are there any draughts around windows?	Yes No	
09	Ventilation & cooling	Are any windows open while the air conditioning is running?	Yes No	
10	Ventilation & cooling	Are any extractor fans on unnecessarily?	Yes No	
11	Ventilation & cooling	Are TM44 air conditioning inspection certificates up to date (if required)?	Yes No	
12	Ventilation & cooling	Are air conditioning service records up to date?	Yes No	

	Category	Item	Checked?	Action/comment
13	Lighting	Are any lights on in unoccupied areas?	Yes No	
14	Lighting	Are any lights on when daylight is sufficient?	Yes No	
15	Lighting	Are any lights on when the building is vacant?	Yes No	
16	Lighting	Does any lighting need replacing or updating?	Yes No	
17	Lighting	Are windows/skylights/light fittings clean?	Yes No	
18	Lighting	Is lighting upgraded/are LED bulbs in use?	Yes No	
19	ICT	Are photocopiers and printers switched off when not in use?	Yes No	
20	ICT	Do computers and laptops have power savers activated when not in use?	Yes No	
21	ICT	Are computers, laptops and monitors switched off at the end of the day?	Yes No	
22	Staff room	Are televisions switched off when not in use?	Yes No	
23	Staff room	Are appliances operating efficiently? (descaled kettle etc.)?	Yes No	

Other notes

Need help to identify potential improvements in your energy management?

Schedule your comprehensive energy audit with Zenergi and begin your journey towards a more efficient, cost-effective, and sustainable future.

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Product feature

Overheating Resilience Assessments: Understand your overheating risks and create a costed plan to protect residents, staff and care quality.



Summer 2026 was provisionally the UK's hottest on record, with five heatwaves.

Overheating has become a significant issue across the sector, with many care homes experiencing temperatures that exceed recognised comfort thresholds.

The UK's building stock is not designed to cope with extreme temperatures. But by understanding and managing overheating risks across your estate, you can protect your residents and ensure your home remains operational in future heatwaves.

Our Overheating Resilience Assessment is designed to help care providers understand where overheating risks exist, identify their root causes and develop a phased investment plan that prioritises low-cost mitigation measures before considering active cooling solutions.

We know that every care home is different. Building design, orientation, occupancy levels, ventilation, glazing and surrounding environments all influence how spaces respond to rising temperatures.

That's why our tailored service provides:

- **Quantified overheating risks**
- **Prioritised recommendations**
- **Costed investment options**
- **Future resilience assessments**
- **A phased implementation roadmap**

1. ClimaCare research project.
2. Heat-related deaths in social care in England: can the Care Quality Commission ratings system be used to identify care homes that would benefit most from heat adaptation measures? published in the British Geriatrics Society journal Age and Ageing (April 2026).
3. Understanding the Impact of Heatwaves on UK Care Homes: A National Survey of Staff Experiences, Challenges, and Adaptation Strategies (published in March/September 2026 in Health & Social Care in the Community).

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Independent analysis gives a clear picture of the risk of rising temperatures within care homes.

63% of bedrooms
failed the 26°C occupied-hours overheating criterion. [1]

60% of bedrooms
failed recognised night-time temperature criteria. [1]

Over 40°C recorded
in three monitored care homes. [1]

34.1% increase in nursing home deaths
reported during the July 2022 heatwave. [2]

90% of staff
reported that heat affected their ability to carry out tasks effectively. [3]

Where to start: five things you can do this month

1. Find the contract end dates and notice periods for every site, so no home rolls onto expensive out-of-contract rates.

2. Check each site has a VAT declaration in place, so you're paying the right rate of VAT and Climate Change Levy.

3. Submit meter readings regularly, or ask your supplier about smart meters, to avoid estimated bills.

4. Walk around each home to spot energy waste from heating, lighting and equipment left on unnecessarily.

5. Check whether your organisation qualifies for ESOS or SECR, and note the deadlines.

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Why we're trusted by care homes

We understand that managing a care setting leaves little time for energy administration.

That's why we're chosen as the outsourced energy partner for several care homes and groups. Our consultative, transparent approach reduces complexity, protects budgets and supports safe, compliant environments.



63% of bedrooms

failed the 26°C occupied-hours overheating criterion.

50.7 GWh / £4.8m

of energy procured for care homes.

£40,000

savings delivered through bill validation last year for our care home clients.

£15,000

average annual savings identified per care home in ESOS Phase 3.

+80 NPS

Our Net Promoter Score shows how likely clients are to recommend us. Most of our clients rate us 9 or 10 out of 10.

We will help you find the biggest savings by making the most simple changes.

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Your outsourced energy manager helping you control costs and stay compliant

If you don't have the time or in-house resource to manage energy, we do it for you. We'll look after buying, billing and compliance, and help you find savings, so you can focus on care.



Start a conversation with our team today:
hello@zenergi.co.uk
02380 286300

Discover how we can help you.

