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# Energy Topics

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**Report being considered by:** Schools' Forum on 8<sup>th</sup> March 2021

**Report Author:** Chris Harris / Phil Newton

**Item for:** Information **By:** All Forum Members

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## 1. Purpose of the Report

1.1 The purpose of this report is to update Schools' Forum on a number of energy related matters including; the transfer of electricity meters to EDF as part of the council's central energy portfolio, the council's current Purchasing Strategy, the current Environment Strategy and also best ways to engage with schools regarding energy issues.

## 2. Recommendation

2.1 None associated as this is an update paper.

<b>Will the recommendation require the matter to be referred to the Council or the Executive for final determination?</b>	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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## 3. Introduction/Background

3.1 Ahead of the new Financial Year 2021-22 the West Berkshire Council Energy Team would like to provide an update on some topics that will affect schools in the near future.

3.2 Purchasing Strategy - In October 2020, Chris Harris, the energy category manager, attended Heads Funding Group to update the group that a review of the current energy arrangements was taking place. It was discussed that a review was underway to analyse the market to ascertain whether there is a more cost effective and efficient way of managing energy supply to Council's corporate sites and schools across the District. The current arrangements are with a central purchasing organisation, CCS, who procure energy on behalf of the council. The review of the existing arrangements and benchmarking these against alternative providers is still in progress. It currently acknowledges that an Energy Strategy needs be written to accompany the overarching Environment Strategy.

3.3 The Transfer of Electricity Meters from British Gas to EDF. The recent CCS tender has led to EDF becoming the sole supplier of electricity under the framework from 1<sup>st</sup> April 2021 for the next 3 years. Previously the contracts were split between British Gas for non-half hourly meters and EDF for half hourly meters. As part of this change, all electricity meters within the council's portfolio that are currently with British Gas will transfer to EDF. This will transfer requires administration work between now and April 2021 to ensure a smooth handover process.

3.4 The Council has declared a Climate Emergency and has formulated, and widely consulted on, an Environment Strategy to deliver the ambitions and targets articulated as a part of the Climate Emergency. Reaching a Carbon Zero state within the next 9 -10 years is challenging.

3.5 Schools are an important stakeholder in the whole “decarbonisation” process. We will be looking at schools as a part of the Delivery Plan and associated stakeholder communication planning and will be looking to engage specifically with you on both the broad and specific issues that addressing climate change presents.

## 4. Supporting Information

### 4.1 Purchasing Strategy

(1) As part of the current arrangements, CCS procure energy over a 6 month period. This method has been used for the current financial year so the current arrangements will last until April 2022 at least. If the outcome of the Energy Strategy is to stay with the current purchasing organisation then an alternative buying window could be considered to possibly reduce energy costs. CCS are a powerful purchasing organisation due to the large number of customers they can aggregate to produce economies of scale and therefore it is currently considered that the CCS arrangements continue to provide value for money.

(2) Once the Energy Strategy has been finalised and the procurement route has been agreed, schools will be asked if they agree to opt into any new West Berkshire led contract. Those schools who do not wish to opt in to the arrangements will need to procure their own energy arrangements

(3) CCS currently have no fully managed customer service level and essentially just procure the energy on behalf of the council. The council currently perform contract management services on behalf of all sites within the portfolio. Due to the lack of CCS fully managed service and collective portal, the council currently relies upon each individual supplier’s portal for access to consumption data and financial invoices.

(4) Each supplier has their own portal which provides the data for the period that the council have a contract with them. The fact that the council is reliant upon each supplier’s portal means that there is no central portal provided by the CCS framework which collates all consumption and invoice data in one place.

(5) To make sure that all historical data is captured as well as for ease of access to consumption data per site, the council has a contract with a third party data collation agency, Digital Energy. CCS are currently working on a new customer portal where all consumption data can be viewed and interrogated in one place. As part of this portal, the council are hopeful for Carbon and Consumption Monitoring Software. The effectiveness of this new portal, as well as improvements in CCS customer service levels, will be factored into the Energy Strategy going forward.

### 4.2 The Transfer of non-half hourly electricity supply from British Gas to EDF

(1) As part of the transfer process, EDF have asked the council to clarify their requirement for the energy source to be procured. With the implementation of the council’s Environment Strategy, there is an opportunity for the council to move towards a more environmentally friendly fuel source. With this in mind, the council have opted for a ‘Blue for Business’ fuel source. This is classed as a ‘low-carbon’ fuel source as the carbon output being below certain levels categorises it as carbon neutral. Although this fuel source is different to the current ‘standard source’ the

change is cost neutral and will not produce an increase in energy charges as a result of the change.

- (2) The transfer of supply from BGB to EDF is likely to produce better customer service levels for the council and schools. British Gas seemed to have internal system issues which have led to large amounts of queries from both an admin and a financial perspective. There is less of this seen with EDF currently and therefore it is hoped that customer service levels will improve.
- (3) Before a supply is able to transfer from British Gas to EDF, there must be no historical debt outstanding on the account. The council are currently working with CCS and British Gas to make sure that any supplies with outstanding Debt is cleared before April 2021 to ensure a smooth transfer. If there is outstanding debt on a supply, the council will contact sites to work towards a resolution.
- (4) Under the two current electricity contracts, the council has a different billing method with each supplier. With British Gas, the council receive one consolidated invoice with a summary figure totalling all of the meters. Currently with EDF, the council make separate payments per site. The additional supplies transferring to EDF will produce a large administrative burden for the council when paying these invoices. With this in mind, the council are likely to move to a consolidated bill with EDF.
- (5) Due to the fact that the council pay individual invoices for each site to EDF currently, sites can receive a copy of their individual invoice sent to the site each month. As part of the move to a consolidated invoice through EDF, this will not be possible. Instead it is proposed that EDF will send the council a consolidated data sheet that will contain all invoice data at site level. Each site can then receive their invoice data in an excel format (soft copy) rather than a physical invoice (hard copy). The functionality of this is yet to be tested and this process will be confirmed nearer to the April start date.

### 4.3 Climate Emergency / Environment Strategy

- (1) You will doubtless be aware that the Council has declared a Climate Emergency and has formulated, and widely consulted on, an Environment Strategy to deliver the ambitions and targets articulated as a part of the Climate Emergency. The Climate Emergency was declared over the whole district and was not just restricted to the Councils estate and assets.
- (2) The Environment Strategy is not just focussed on the application of renewable technologies for generating cleaner energy or the use of non-fossil fuel reliant transport. It also embraces the need to consider the Decarbonisation of Heat, carbon sequestration and “change” in behavioural terms amongst other issues and considers the impacts of climate change on health and wellbeing
- (3) Within the next two quarters a Delivery Plan will be published which sets out how the Councils ambitions will physically be delivered. In a similar timetable the approach to how the Council plans to engage with all of the stakeholders in the district will start to be formed.

### 4.4 How better to engage with schools

- (1) Schools are an important stakeholder in the whole “decarbonisation” process.

- (2) Schools are often already engaged in addressing sustainability issues and have in the past been parts of wide networks of “eco-schools” and other national initiatives.
- (3) Schools are a potential asset for the location of renewable generation. They are often excellent candidates for investment to deliver more thermally efficient buildings and infrastructure leading to cheaper heat and hopefully protecting them to some degree from some of the ever-spiralling costs of energy.
- (4) Above all they are the places that the future citizens are growing up and are the people who will ultimately feel the success or failure of these attempts to address the issues of climate change.
- (5) We have spoken to a number of schools over the past year about the potential for the deployment of renewable technology and how we might work together on the whole climate change agenda. We believe the Environment Strategy offers an excellent opportunity to be more joined-up and co-ordinated on this approach across the estate.
- (6) We will be looking at schools as a part of the Delivery Plan and associated stakeholder communication planning and will be looking to engage specifically with you on both the broad and specific issues that addressing climate change presents.
- (7) We hope by your next, or next but one, meeting to have something more specific to discuss with you. We are interested in understanding how we can best work with you and how we can help you form effective ties across your community.

## 5. Options for Consideration

5.1 The options that may be included in the Energy Strategy and further reviewed include, but are not limited to, the following;

- (1) Continue with the current CCS strategy of procuring energy.
- (2) Switch to another CCS Basket which offers a longer buying window and strategy.
- (3) Change framework provider to another purchasing organisation who would purchase energy using an alternative window and strategy.
- (4) Sites to enter into contracts with Energy consultants (Third Party Intermediaries) who purchase energy from providers.

5.2 In regards to the supply transfer to EDF, the main options to consider surround the billing process and whether to move to a consolidated invoice, losing invoice hard copies at site level or whether sites receive their site level invoice hard copy but produces a very large administrative burden for the council. The result of this will depend upon discussions with EDF and e-bill functionality.

## 6. Proposals

6.1 N/A

### 7. Conclusion

7.1 The transfer of supplies from BGB to EDF is the most pressing change to the current central energy contract. This transfer will create administrative work for the council, and schools may be called upon as needed for information. It is anticipated that this change will bring about an improvement in the levels of customer service over the last 5-6 years. Sourcing supplies through CCS and the central energy contract is still considered to provide value for money. Other changes to current arrangements will be considered as part of the Energy Strategy which will also complements the council's Environment Strategy. Throughout this process, schools will remain key stakeholders and consulted during decision-making process as they remain principal users of the arrangements and provide opportunities for the council to meet its environmental targets.

### 8. Consultation and Engagement

8.1 Key Stakeholders that will be consulted as part of the above topics;

- (1) First point of contact for all sites that are currently part of the framework
- (2) Contacts for sites who have potential to enter the framework
- (3) West Berkshire Council Energy Team
- (4) West Berkshire Council Members
- (5) West Berkshire Council Commissioning Service

### 9. Appendices

9.1 N/A

### 10. Heads Funding Group Recommendation

10.1 N/A