

Report to the Resources Select Committee

Date of meeting: 12 July 2016



Portfolio: Technology and Support Services.

Subject: Energy savings and improved management process update.

Responsible Officer: David Newton (01992 564580).

Democratic Services Officer: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

- (1) To note the progress made by energy consultants, Smith Bellerby (SB), with energy saving and data consolidation and;**
- (2) To recommend that SB be retained for an additional year 2017/2018.**

Executive Summary:

Smith Bellerby (SB) have now been dealing with all aspects of the energy billing and monitoring process on behalf of EFDC for just over a year. Officers have been extremely happy with the service provided. SB have now produced their annual reports and the highlights are detailed below.

Reasons for Proposed Decision:

The Resources Select Committee have requested an update on the progress made with regard to energy savings and improved management process.

Other Options for Action:

Not to extend the SB contract. However, EFDC currently have insufficient resources or in house skills to carry out this task and to employ skilled, additional members of staff would cost more than the 2016/2017 annual SB charge of £23,500.

Report:

1. Since the commencement of the contract in May 2015, savings in excess of £31,000 have been made. **(See Appendix 1)**. These savings have been achieved mainly by identifying both major billing errors and by transferring supplies on high rate tariffs to preferential low rate tariffs on the Crown Commercial Services (CCS) frameworks.
2. SB have produced an accurate, consolidated database of all gas and electricity supplies. Currently, EFDC are responsible for 477 electricity supplies and 45 gas supplies.
3. Monitoring of all energy bills has identified frequent large billing errors from suppliers, which SB address with the energy companies directly. Last financial year they dealt with 52 major queries on our behalf. These queries are often complex and extremely time consuming.
4. SB processed 6337 invoices last financial year (2016/2017) and 1470 invoices so far this current financial year. These were all sent to EFDC electronically in 70+ formatted computer batch files which are input and processed directly into the EFDC finance system **(See Appendix 2)**. This is a huge staff resource saving as the time consuming processing and manual punching elements are no longer required.
5. Although the majority of the one-off savings have now been identified, it should be recognised that the staff resourcing savings mentioned above would more than cover the SB annual charge. The charge for the financial year 2017/2018 will be reduced to £22,587.

Resource Implications:

None. Continued funding can be covered from energy savings within existing budgets and the risk of any additional levy due to not compliance of DECC legislation has been negated.

Legal and Governance Implications:

None.

Safer, Cleaner and Greener Implications:

Reduce consumption and allow accurate annual reporting on greenhouse gases to the Department of Energy and Climate Change (DECC). Previously, we did not meet the criteria to comply with the legislation which could have ultimately resulted in the payment of an additional levy calculated on our CO2 emissions. However, thanks to the work of Smith Bellerby we are now able to report all Scope 1 and 2 emissions for the 2016 DECC report and beyond, ensuring that we will be fully compliant in our reporting.

Consultation Undertaken:

Liaison with Essex Partners (EOLP)

Background Papers:

Resources Select Committee 13 October 2015

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Date / Name	Summary of equality analysis
22/06/16 David Newton	The energy saving and improved management process or the selection of Smith Bellerby will have no impact on equalities or discrimination to any groups of people.