

**CHILTERN DISTRICT COUNCIL  
CABINET 27 AUGUST 2013**

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*Background Papers, if any, are specified at the end of the Report*

**ANNUAL ENERGY REPORT 2012/13**

*Contact Officer: Oliver Asbury 01494 732066*

**RECOMMENDATIONS**

**That Members note this report which includes the financial summary of energy spend and consumption for 2012/13.**

**Relationship to Council Objectives**

*Objective 1 – Efficient and Effective Customer Focussed Services*

*Objective 3 – Conserve the Environment and Promote Sustainability*

**Implications**

*(i) Not a key decision.*

*(ii) Within the Policy and Budgetary Framework.*

**Financial Implications**

*Energy consumption impacts directly on the Council's budget. This report updates Members on our performance in 2012/13.*

**Risk Implications**

*Climate change and energy are designated as a strategic risk (Risk 13) There is a significant upward trend in energy prices and the Council must be pro-active to reduce this long-term risk. Several projects are currently underway that seek to provide the Council with some protection from such rises.*

**Equalities Implications**

*There are no direct equality implications associated with this report.*

**Sustainability Implications**

*Reporting and improving on energy consumption at the Council will also help reduce greenhouse gas emissions and promote awareness of the importance of monitoring the Council's consumption. This is in line with the adopted Chiltern Climate Change Strategy.*

## Matters for Consideration

This report was considered by the Community & Environment Overview Committee on 6 August 2013. The Committee was pleased with the outcome of the Solar PV installations.

The report received good feedback about the work we are doing as a Council. A short discussion took place about the energy procurement strategy which could be taken forward as a local consortium. Chesham TC have already approached the Principal Engineer with this regard and Officers were asked by the Committee to check with all the district's Town and Parish Councils in case they need help. This would however be subject to the Council's procurement approach.

As with recent CAMG, P&R Overview and Cabinet discussion the C&E Overview Committee also suggested that PV should be considered on the AMSCP over roof. A further report will be provided to Cabinet in Autumn regarding this.

## Background

- 1 It has been practice for a number of years to report the Council's annual energy trends (and spend) to Cabinet to enable Members to track progress towards our financial and environmental targets.
- 2 Previously the Green House Gas (GHG) performance update has been included as part of this report. However, this is now required to be submitted annually in July to Government and so is now provided as a separate report to Members. The 2013 GHG report was considered by Cabinet on 9 July 2013.
- 3 Likewise, Display Energy Certification has been taken out as this is conducted out of line with annual reporting, with the current DEC prominently placed at reception. Year on year this Council's energy rating against benchmark has been improving.

## Financial Summary 2012/13

- 4 The Council's energy spend (and consumption data in brackets) for 2011/12 and 2012/13 is shown below:

<b>Figure 1: Energy Spend Profile</b> (Consumption kWh in brackets)	<b>2011/12</b>	<b>2012/13</b>	<b>Spending Trend</b>
Electricity:			
Surface Car Parks	<b>£14,709</b> (unmetered)	<b>£11,772</b> (Unmetered)	<b>Down</b>
AMSCP	<b>£9,775</b> (81,382)	<b>£8,651</b> (79,532)	<b>Down</b>

Markets	£1,189 (2,741)	£611 (2,740)	Down
Public Conveniences	£6,120 (43,300)	£5,252 (49,564)	Down
London Road Depot (Whole Site)	£34,698 (327,847)	£34,795 (365,190)	Neutral
(Recharged to Tenants)	-£26,672	-£28,120	
Council Offices (Entire Offices excl Data centre)	£55,403 (487,198)	£45,011 (447,270)	Down
(Recharged to Tenants)	-£16,904	-£17,680	
Air Monitoring Station	£152 (N/A)	£172 (N/A)	Up
<b>Total Electricity Less Recharges</b>	<b>£122,046 -£43,576</b>	<b>£106,264 -£45,800</b>	<b>Down</b>
<b>CDC Total</b>	<b>£78,470</b>	<b>£60,464</b>	<b>Down</b>
Gas:			
London Road Depot (Whole Site)	£6,825 (186,583)	£8,051 (211,033)	Up
(100% Recharged to Tenants)	-£6,825	-£8,051	
Council Offices (Whole Site)	£23,494 (762,628)	£38,666 (1,037,139)	Up
(Recharged to Tenants)	-£7,946	-£15,733	
<b>Total Gas Less Recharges</b>	<b>£30,319 -£14,771</b>	<b>£46,717 -£23,784</b>	<b>Up Up</b>
<b>CDC Total</b>	<b>£15,548</b>	<b>£22,933</b>	<b>Up</b>
<b>Total CDC Energy Spend</b>	<b>£94,018</b>	<b>£83,397</b>	<b>Down</b>

## Notes

- Not including BCC data centre which uses c.50% extra of main office supply
- <sup>1</sup>
- <sup>2</sup> estimated consumption

## Report

- 5 In terms of expenditure on electricity there is a continuing positive trend, this is due to the continued work of officers in awareness raising and specific projects to reduce energy use such as replacement office

lighting. The key reductions continue to be seen at the Council offices where we have direct control.

- 6 It has been noted that an increase has been seen for public conveniences, and upon closer inspection this is for one particular unit. Investigations are currently underway to ascertain the reasons for this.
- 7 London Road depot is measured as a whole site and thus takes account of the rented parts of the site. CDC itself is only directly responsible for approximately 19% of the electricity consumption (which relates mainly to the papersort facility) and 0% of the gas consumption which is wholly recharged.
- 8 Gas expenditure shows an increase at the offices which comes from market price rises at re-tender and increased consumption due to the extremely cold and extended winter periods. This trend can also be seen at the depot.
- 9 Overall, looking at the whole of the data in figure 1, it can be noted that electricity consumption generally continues to fall, with an increase in gas consumption due to weather variations. Overall the total energy spend has fallen very slightly when compared to 2011/12.

#### **Energy Contracts:**

- 10 Due to the operational necessity of energy the award of energy contracts is delegated to the Chief Executive.
- 11 Officers consider various procurement strategies and discuss current trends and contract rates with other local authorities and energy managers. Useful discussions come from the South East of England Energy Forum. Chiltern used to host this forum until 2011/12 when it rotated to Milton Keynes who have subsequently grown the forum's scope and attendance base. There are a number of procurement routes followed and each Authority / Company in the user group employs the route which fits their requirements.
- 12 The electricity and gas contracts across the Council's energy portfolio were re-tendered in 2012. If awarding an energy contract for over 12 months the Council's portfolio falls within the OJEU procurement rules. It was considered a 24 month contract would deliver best value and fit the requirements of the Council and importantly due the amount of energy that is recharged, its tenants. Therefore an OJEU tender route was undertaken.
- 13 Electricity Contracts have now been signed until September 2014.
- 14 Gas contracts have now been signed until September 2014.

- 15 The electricity and gas contracts are now co-terminus allowing the main sites within the Council's portfolio to be let at the same time, potentially allowing it to be included as part of a joint tendering with other local Councils. Indeed the Council's current agreed energy procurement strategy was shared with the South Bucks Facility Manager and both Councils' Officers have agreed to consider combined arrangements in April/May 2014 to commence from September 2014.
- 16 Chiltern have found that fixed rate contracts have offered the Council and its tenant/partners the most favourable results and ability to administer recharges accountably. Chiltern recharges over 50% of its energy costs to other users. Those users request evidence that best value was sought and also seek some stability in their recharges. Chiltern must be able to provide a justified basis for the energy recharges and is required to provide evidence of the Council's energy procurement strategy to its tenants.
- 17 6 monthly "basket" strategies have not been followed due to the intricacies of recharging, monitoring the effects of energy efficiently projects and a lack of stability and best value to the Council and its tenants.
- 18 The current strategy is to combine the gas and electric contracts together and to tender the full portfolio on a Dual Fuel contract in Summer 2014 for commencement in September 2014. The term has not yet been considered but guidance will be sought in April/May 2014.
- 19 Due to the trend of ever increasing energy prices, it is of paramount importance that the Council continues to invest in energy saving measures and indeed the potential for further generating measures to try and offset these risks.

**Background Information:** [www.chiltern.gov/sustainable](http://www.chiltern.gov/sustainable)

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