

**SUBJECT:** SCC ENERGY SERVICES FOR SCHOOLS  
**DATE:** 23 October 2013  
**RECIPIENT:** Schools Forum

## **INTRODUCTION**

1. This briefing covers updates on changes to the energy management services that are offered through the Energy Team at Southampton City Council. The services cover procurement, the management and reporting of energy consumption and cost data, and other services which may be offered or commissioned,
2. Schools will no longer be required to participate in the Carbon Reduction Commitment (CRC) from April 2014; however the DfE have indicated that they will continue to require schools to report on their energy consumption. The actual format and content of this reporting has not been finalised.

## **THE ENERGY TEAM**

3. The Energy Team and roles with regard to schools:
  - Jason Taylor, Energy Manager. Jason manages the team, undertakes energy audits and can offer project management for energy related works.
  - Rae Newman, Energy Contracts Management Officer. Rae manages energy data and the energy procurement contract. She carries out energy data entry and amendments on SystemsLink, and resolves invoice and meter queries.
  - Jane Altounyan, Carbon Reduction Officer. Jane manages the Carbon Reduction Commitment reporting process, creates and amends reports on SystemsLink and carries out behaviour change programmes.

## **UPDATES ON LASER ENERGY PROCUREMENT CONTRACT**

4. All electricity and gas for SCC buildings and operations are procured through contract with Kent Laser. Schools have and continue to benefit from the bulk buying that this contracts enables. We currently procure almost £10 million of gas and electricity across commercial and housing contracts with Laser.
5. SCC have obtained independent verification of the value for money of the Laser contract energy prices, which show consistently cheaper than average energy costs for us assessed on the wholesale market price.
6. The estimated average SCC gas and electricity price rises from October 1<sup>st</sup> 2013 to September 30<sup>th</sup> 2014 are circa 7% based on the previous close to 0% rises last year. We will be able to provide price changes from the 1<sup>st</sup> of November and will keep you posted on any issues associated with the price changes in this contract period. Invoicing is planned to start 1<sup>st</sup> week in November. Even with this price rise, the cost of energy procured through Laser will be extremely competitive.

7. Laser also provide a managed service which provides a full validation and query management process. For example, in the last quarter Laser have validated 537 electricity invoices and 723 gas invoices. Of the 537 electricity invoices 162 (30%) failed their initial validation process and required either manual checking or querying with the supplier. Of the 723 gas invoices, 253 (35%) failed the Laser initial validation process. This process not only picks up incorrect detail on the bills but also ensures that we all pay the correct charges associated with our energy use. It has proven to be cost effective and to provide us with savings.
8. We in the energy team also pro actively target cost reductions associated with the procurement of energy. These recently include VAT and CCL reductions in schools. This work is integrated and complements the energy management programme.

### **POSSIBLE CHANGES TO MANAGEMENT OF SCHOOLS INVOICES**

9. The Energy Team are investigating possible changes to the way that the Laser energy procurement contract is managed which would reduce the cost and allow us to offer added value to those schools who procure their energy through the contract.
10. If these changes were to be implemented it is likely that errors and queries in invoicing could be resolved more quickly, and that we would be better able to deal with any delays in invoice receipt.
11. We will be incorporating industry best-practice into Southampton CC processes and procedures and provide training where required.
12. The Energy Team is obtaining access to Ecoes and Xoserve - industry databases that give access to key information on gas and electricity meters. This will enable faster query resolution and more accurate estimated billing where actual reads are unavailable.
13. We will carrying out an "Annual Quantity" (AQ) review on all gas meters. The review can determine whether any meter's standing charge is too high because of an inflated assumption of annual consumption against that meter.
14. We will also carry out an 'agreed supply capacity' review against all electricity meters; as above this can lead to a smaller standing charge where the capacity was previously set too high.
15. We will continue to upload invoice details onto SystemsLink, as we do now, but this means that schools will be able to download invoices direct from SystemsLink WebReports.

### **ADDED VALUE SERVICES**

16. The Energy Team are receiving additional training from SystemsLink to ensure we are getting the most from the software. The training will focus on the resolution of queries, reporting, setting 'alerts', communication logs, and more.
17. Partly as a result of this training, an example of additional services that could be available to those schools that procure through the Laser contract include, where agreed:

- Where schools have agreed to purchase 'half hourly' consumption data, the Energy Team may alert schools were a sudden and unexplained change to be noted, and offer advice to determine the cause.
- Invoices will be validated within the context of knowledge about the school.
- A benchmarking of schools consumption within a Southampton league table will identify those that appear to have an unexplained and inordinately high use, and the Team could contact those that may benefit from additional advice.
- Schools would be notified in good time where there is a delay in receiving invoice data.

## **ENHANCED REPORTING**

18. The Energy Team will produce an annual Energy Consumption League Table for Southampton schools which will be distributed each October. In addition, an estimate of the final quarter of invoice data will be produced and distributed each March to assist in budgeting.
19. The Energy Team have designed a new set of reports, available through the SystemsLink online Webreports. These will be available by the end of year. New reports will, per school
  - provide a "dashboard" containing summary energy consumption data
  - compare monthly gas consumption against the measure of outside winter temperatures (known as "degree days")
  - allow the estimated accrual of invoice totals to a period end
  - calculate the consumption of gas and electricity per m<sup>2</sup>
  - show consumption for all utilities within the school, including solar power.

## **TRAINING**

20. Following the success of the energy efficiency training for schools business and site managers, the Energy Team will be offering additional training dates that will extend the information offered in the first sessions. It is expected that these will take place in January 2014. In addition a series of presentations on energy efficiency products, such as LED lighting or boiler controls, is being arranged, and to which school site and business managers are invited.
21. Training will be offered on how to make best use of the Webreports to help schools manage their consumption. The Energy Team are keen to work with school clusters so that members can support each other in learning efficient energy reporting and management.

## **RECOMMENDATION:**

22. Schools receive a number of benefits from procuring their energy through the Laser contract, including negotiated discount prices and additional reporting and management services that the Laser contract allows the Energy Team to deliver.
23. Schools should contact the Energy Team about the services described in this briefing if they are interested in discussing the options further.

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