

Report Title: INCREASED ELECTRICITY COSTS FOR STRUTT STREET WC

Submitted By: Christine Marlow (Responsible Financial Officer)

PURPOSE

For Council to note the impact of current, and future, increases in the cost of electricity for Strutt Street WC.

BACKGROUND INFORMATION

On 10 August 2022, notice was received from Bulb Energy (the electricity provider for Strutt Street WC) that the current variable tariff of 30.953p per kWh would be increasing to 64.692p per kWh with effect from 9 September 2022.

LEGISLATION

N/A

ACCESSIBILITY IMPLICATIONS

N/A

FINANCIAL IMPLICATIONS - 10 AUGUST 2022

To check the competitiveness of this price rise, alternative quotations were sought from:

- an Energy Broker who would not confirm the quotation in writing;
- EDF who were the only 'big six' supplier who would provide a price.

Based on usage of 7,426 kWh for the 12 months to August 2022, a comparison of the estimated impact of each price on the current financial year is shown below. Note that the 22/23 budget is £2,600.

<u>Provider</u>	<u>Price p/kWh</u>	<u>Standing Charge p/Day</u>	<u>Estimated Total Cost 22/23</u>
Bulb Energy (Current – Variable)	30.953p	27.397p	£2,398
Bulb Energy (Revised - Variable)	64.692p	27.397p	£3,751
Energy Broker (Fixed 1 Year)	43.00p	40.00p	£2,918
EDF (Fixed 1 Year)	62.00p	60.00p	£3,660

The volatility of the energy market is such that prices are only valid at the time they are provided and there is no option for a contract term longer than one year. On this basis, consideration was given to entering into a fixed term contract to protect Council finances

from likely future price rises (Clerk's Delegated Powers in consultation with the Chair and Vice Chair - Minute 5218b – 14/07/22). However, given the scale of the price rise, the outcome was to refer the matter for discussion by Council at its next meeting.

FINANCIAL IMPLICATIONS - 6 SEPTEMBER 2022

Prices have risen significantly since 10 August, therefore, updated quotations have been obtained and the revised impact on the 22/23 financial year is shown below. Although no further price rise has been announced by Bulb Energy to date, it is expected that their charges will increase in line with other providers.

<u>Provider</u>	<u>Price p/kWh</u>	<u>Standing Charge p/day</u>	<u>Estimated Total Cost 22/23</u>
Bulb Energy (Current – Variable)	30.953p	27.397p	£2,398
Bulb Energy (New - Variable)	64.692p	27.397p	£3,751
EDF (06/09/22 - Fixed)	89.000p	0.60p	£4,627
British Gas (06/09 - Fixed)	89.220p	0.40p	£4,634

E-On/Npower, SSE, Scottish Power/Ovo and Octopus will not provide a quotation.

It is not possible to predict whether there will be changes to prices within the next seven days as this will depend on market forces and the expected government announcement later this week. Therefore, an update to this report will be provided by the Clerk at the meeting on 13 September.

ENERGY SAVINGS/ CLIMATE IMPLICATIONS

The Outdoor Team advise that there is potential for energy savings in the Disabled Toilet by replacing the existing 4 x 2ft fluorescent lights and installing a PIR so that the lights are only on when required. The cost of these changes and the likely savings are currently under investigation. The 28 watt anti-drug lighting in the Ladies/Gents Toilets cannot be changed and is already PIR activated. The hand dryers are required in all three toilets and the installed heaters/ventilators are not in use so no further savings can be made.

RECOMMENDATIONS

That Council:

1. gives delegated powers to the RFO in consultation with the Clerk to obtain the best possible price for the supply of electricity to Strutt Street WC.
2. authorises an increase in the Strutt Street WC Electricity budget from £2,600 to £5,600 with virement from the following budget headings;
 - £1,500 from 7503 (Strutt St WC Contingency)

- £500 from 7502 (Strutt St WC Water)
- £1,000 from 7206 (Chapel Contingency)

NOTES

The Chapel, Coppice Car Park and Memorial Gardens have fixed term contracts with EDF and are, therefore, not subject to current market conditions.

The RFO will continue to monitor prices and report back to future Council meetings.