

**EAST AYRSHIRE COUNCIL**  
**PERSONNEL AND PROPERTY SUB-COMMITTEE**  
**OF THE POLICY AND RESOURCES COMMITTEE – 2 April 2001**

**ENERGY MANAGEMENT PROGRESS REPORT**

**Report by Director of Homes and Technical Services**

**1. PURPOSE OF REPORT**

To indicate the progress in the implementation of the Council's Energy Management Policy in respect of non-housing properties.

**2. BACKGROUND**

The Council's Energy Management Policy requires regular updating of Members on its implementation.

The report gives details of the current situation regarding Energy Supply Contracts.

**3. GENERALLY**

**3.1 Energy Supply Contracts**

Tenders have been returned to the Authorities Buying Consortium (ABC) for both gas and electricity supply contracts. The report recommending acceptance of the offers received from the current supplier, Scottish Power, was approved at the ABC Joint Committee of 26 January 2001.

**3.1.1 Electricity Supply Contract**

Electricity costs will reduce by 18 to 23 percent in the new contract dependent on the consumption of individual sites. The contract also includes "Green Energy" supplies, which are exempt from Climate Change Levy (CCL), but supplied at the same rates as "Brown Energy" within the contract. However, the "Green Energy" contained in the contract amounts to 20% of the electricity to be supplied to sites that are subject to CCL, reducing the Council's levy liability on electricity accordingly. The total quantity of "Green Energy" supplied under the ABC contract is the largest single purchase of "Green Energy" in Britain.

**3.1.2 Gas Supply Contract**

As previously forecast, gas supply prices will increase by an average of 36% with the introduction of the new contract on 1 April 2001

**3.1.3 Coal Supply Contract**

It is anticipated that coal costs will increase by about 5 percent.

**4. FINANCIAL IMPLICATIONS**

The overall effect of the new contract and the introduction of the Climate Change Levy is that energy costs will increase by some £250,000 from 1st April 2001. Provision has been made for this in the 2001-2002 budgets.

**5. LEGAL AUTHORITY / IMPLICATIONS**

Not applicable.

**6. POLICY IMPLICATIONS**

Implements the Council's Energy Management and Environmental Policies.

**7. RECOMMENDATIONS**

It is recommended that Members note the contents of the report.

James Lavery  
Director of Homes and Technical Services

GM/FM  
1 MARCH 2001

**LIST OF BACKGROUND PAPERS**

1. East Ayrshire Council Energy Management Policy
2. East Ayrshire Council Environmental Policy

Any member requiring further information should contact George Malone, Principal Engineer, Technical Services, extension 5233

**AGENDA**