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**Meeting of the Cabinet – 27<sup>th</sup> June 2018**

**Corporate Energy Strategy 2018 - 2021**

**Purpose**

1. To seek Cabinet's endorsement of the draft Corporate Energy Strategy.

**Recommendations**

2. It is recommended that Cabinet
  - a. Note the contents of this report;
  - b. Endorse the Corporate Energy Strategy for onward communication and implementation;

**Background**

3. An internal audit of energy management was completed in 2017. Whilst 'generally sound systems of control' were found to be in place, a high priority recommendation was that an energy strategy be developed.
4. Without a formal strategy, there is a risk that opportunities for reducing costs and/or generating income are missed. There could also be an impact on the council's ability to access external grant funding as such strategies are often required as part of the application process or appraisal.
5. The draft strategy (appendix 1) has a three year planning horizon, however it will be reviewed and updated annually in order to reflect technological innovation and regulatory change. The strategy seeks to formalise the key priorities for the council around energy and carbon management.
6. The strategy should be viewed alongside the recently adopted corporate estate strategy, one of the over-arching objectives of which is to optimise opportunities for saving and generating money. In support of this, the energy strategy seeks to minimise utility costs by: -
  - Considering energy in all corporate estate decisions and when investing in major items of plant or equipment.
  - Ensuring that accurate and reliable data is available for decision making purposes and also for targeting and reducing unnecessary or anomalous energy consumption.
  - Reducing the administrative over-heads currently associated with processing paper water bills.
  - Fully exploring the opportunities and challenges presented by electric vehicles.

## **Finance**

7. Utility costs are set to increase significantly over the period of this strategy, largely driven by increases to the 'non-commodity' element of electricity bills (environmental taxes and pass-through charges to network operators). Current estimates from ESPO (Eastern Shire Purchasing Organisations) suggest increases of around 10-12% on gas and electricity during the 2018/19 financial year.
8. The strategy highlights keys measure and areas where there is potential to reduce energy usage and therefore save money. There is also potential to generate grant income and subsidy payments for adopting renewable and energy efficiency technologies.

## **Law**

9. Section 111 of the Local Government Act 1972 empowers the Council to do anything calculated to facilitate or which is conducive to or incidental to the discharge of any of its functions.

## **Equality Impact**

10. Not applicable.

## **Human Resources**

11. Not applicable.



**Alan Lunt**  
**Strategic Director (Place)**

Contact Officer: Christopher Jenkins  
Telephone: 01384 816858  
Email: [christopher.jenkins@dudley.gov.uk](mailto:christopher.jenkins@dudley.gov.uk)