

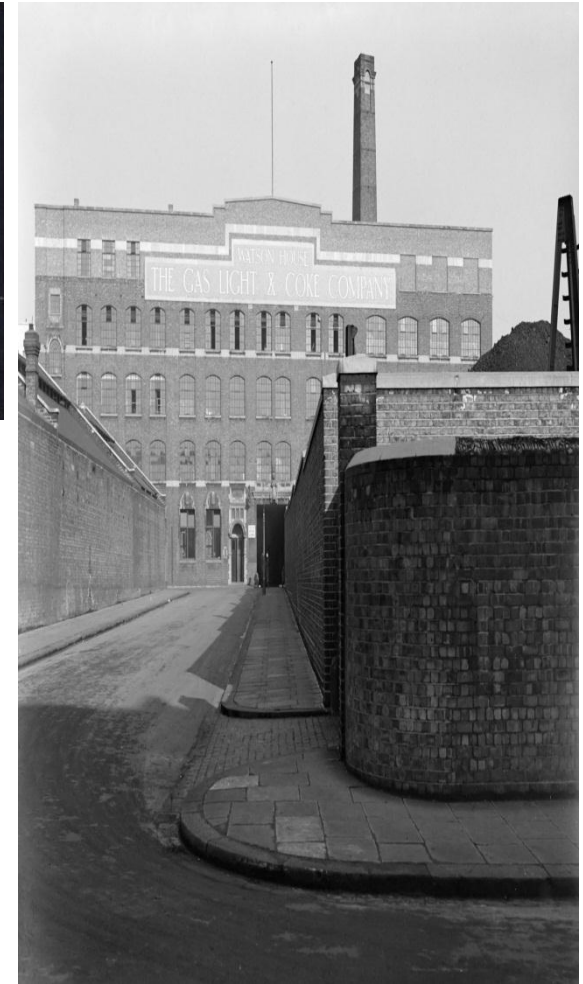
APSE Energy a collaboration of local authorities



APSE Renewables and Climate Change Advisory Group, 5 February 2014

Mick Lovatt, Corporate Director of
Environment, Preston City Council

Energy - It's part of our municipal inheritance



The scale of the challenge for local government



According to the Carbon Trust:

- energy consumption of local authorities is estimated to be at least 26 billion kWh per year;
- Leading to annual CO₂ emissions of more than 6.9 Mt.
- energy expenditure in the order of £750 million per year; and
- councils can have annual energy bills in the range £8.5-12m, but this can be up to £24m for larger local authorities.



Local Government finance prospects



- Chancellor George Osborne has announced a further £62bn budget cuts between 2014/15 and 2017/18 beyond the next General Election.
- Local Government funding in England will fall by a further 8.5% over the next 2 years on top of £20bn savings so far.
- Local government spending — excluding police, schools and housing benefit — is set to fall by nearly 30% in real terms between 2008 and 2015 in England and 24% in Scotland according to a JRF report.



The scale of the challenge & the opportunity



- According to DECC in 2011 there were 4.5 million households in fuel poverty – Defined as spending more than 10% of family income on fuel.
- Energy price increases on average of between 8.5% & 11.1% in Autumn 2013 (House of Commons Library Energy Price Note Nov 2013).
- Committee on Climate Change estimate that average dual fuel bills will increase by 18% in real terms between 2010 and 2020.
- Npower state that the average dual fuel energy bill will increase from £1,123 in 2013 to £1,330 in 2020
- In 2009 buildings accounted for 43% of all carbon emissions. U.K. housing stock amongst the least energy efficient in Europe.
- UK Renewable Energy target 15% by 2020 – Latest figures 2011/12 show that just 3.94% of energy is generated from renewables against a target of 4.04%.
- For the U.K. to meet it's targets the annual growth rate in renewables year on year to 2020 would have to be 16.5%
- Renewables U.K estimate that more than 70,000 jobs in the renewable sector could be created over the next decade.
- Mainly SME's who employ staff in renewable sector.

APSE Energy - What is it?



Prospectus

A POWERFUL PROSPECT



Aims

The aims of **APSE energy** are to support councils to deliver the local municipalisation of energy services and in doing so:

- address social objectives and deliver community benefits, such as a reduction in fuel poverty and increases in jobs and skills;
- save money and make money for local authorities to safeguard local services.

Our Vision



“The vision is to form an effective collaboration of a large number of local authorities to enable and facilitate the local municipalisation of energy services. By this we mean the public and community, as well as private, ownership and managerial control of local energy generation, distribution networks and delivery of energy efficiency works. Local authorities working together in this way would have great influence and would be able to deliver economies of scale in green energy to promote economic growth and combat fuel poverty.”

What have we done so far?



- Developed a business proposal for the collaboration – Oct 2013
- Expressions of interest form completed by 36 councils across the U.K. with a further 19 still interested – Dec 2013
- APSE National Council agreed to proceed with the launch of a new service (Level 1) – Dec 2013.
- APSE's Assistant Chief Executive deployed to work exclusively on development of APSE Energy – From Jan 2014.
- Met with Alan Whitehead M.P. with regard to him acting as parliamentary advisor to the collaboration – Dec 2013
- Planned Westminster launch for the collaboration - March 2014.
- Created a web page for the collaboration as a resource hub – Jan 2014
- Developing a prospectus and terms and conditions of membership – Jan 2014
- Meetings and visits to local authorities to promote APSE Energy – Jan to March 2014
- Planning first workshop/learning event on retail/sleeving of energy – April 2014

Services offered



- **Advocacy and brokerage**
 - Government
 - Energy industry
 - Partnerships
- **Capacity**
 - Strategic advice
 - Feasibility
 - Time banking arrangements
- **Knowledge**
 - Resource portal
 - Technical and policy updates
 - Free legal helpline
- **Learning**
 - Practical workshops
 - Round tables
 - Secure networking
 - Conferences and seminars

How do the services fit together?



A programme for municipalised energy



Membership



Low cost level of membership @ indicative £2k per authority
(Not Southampton)

Potential for group discounts initially e.g. Upper and lower tier councils in England/Energy Partnerships.

Terms and conditions – Shared aims and vision: knowledge or expertise gained through support of the collaboration will be fed back into the collaboration for the mutual benefit of the whole membership.

Future ambition



Timescales	Objectives
Short-term – 2014/17	<ul style="list-style-type: none">• Build an effective membership base.• Develop advocacy and brokerage capacity.• Create shared resources and knowledge hub.• Identify key priorities and work programme• Demonstrator projects.
Medium Term – 2017/20	<ul style="list-style-type: none">• Expand membership and influence.• Build capacity to deliver municipal energy.• Support local authority programmes and projects.• Joint working, facilitation, partnerships and collaborative working.• Identifying funding opportunities, self-financing and reinvesting in collaboration.
Long-term – 2020 onwards	<ul style="list-style-type: none">• Significant generation and supply of local energy.• Financial sustainability.• Local authorities reinvesting in local services and communities.• Local economic and social benefits realised.



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