

APSE Energy -Municipalisation of Local Authority Energy



Scotland Renewables and Energy Efficiency Advisory Group, Aberdeen 30 April 2014

Mark Bramah, Assistant Chief Executive,
APSE

Energy – it's in the news!!!



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NATIONALISE ENERGY AND RAIL COMPANIES, SAY PUBLIC

by YouGov
Mon 10 October 4: 2010 2:23 p.m. GMT

The majority of the British public – including the majority of Conservative voters – support nationalising the energy and rail companies

Labour's plan to freeze energy prices for 20 months has re-ignited the debate over the role of the government in markets, with Conservatives arguing intervention is a 'con' while Labour claim the state should 'lead' the market. Shadow transport secretary Mary Creagh has even suggested Labour are open to re-nationalising train services.

However, YouGov research for the Centre for Labour and Social Studies finds voters of all politics united in their support for nationalisation of energy and rail.

68% of the public say the energy companies should be run in the public sector, while only 21% say they should remain in private hands. 68% support nationalising the railway companies while 23% think they should be run privately. The British people also tend strongly to prefer a publicly-run National Health Service (as it is...)

Mirror NEWS

Real news, real entertainment... in r

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The time has come to re-nationalise our energy and the pirates in suits packing

BY BRIAN READE

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THE ONLY ENERGY COMPANY LOWERING BILLS THIS WINTER

The Telegraph

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The energy market is failing. Time to reform it

The current energy market is broken, and failing the industry as well as the public

you need to reform the energy market Photo: PA

by Tom Greatrex
3:38AM BST 21 Oct 2013

55 Comments

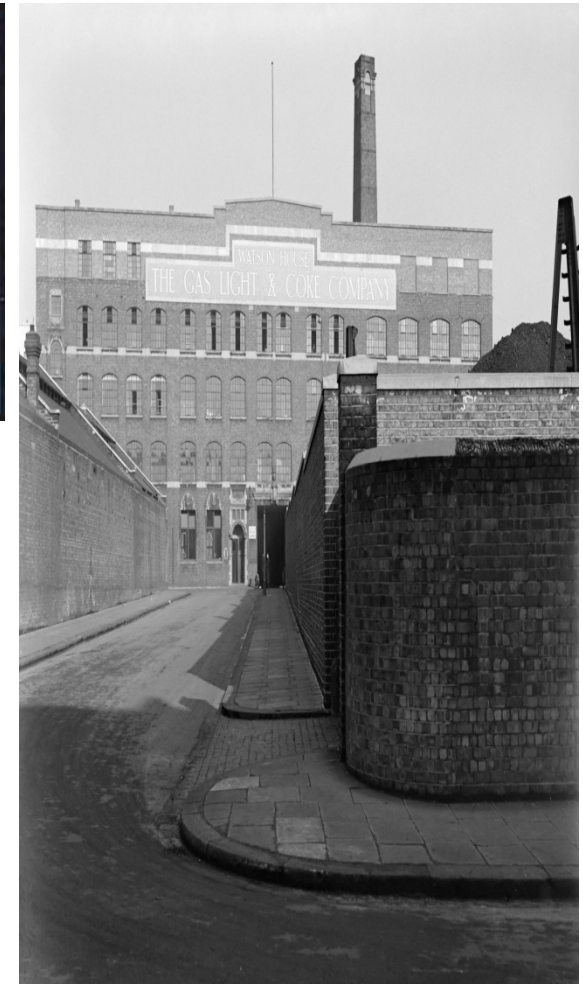
In Friday, the Daily Telegraph spoke out against the lack of transparency in the energy market. Follow-up price rises from SSE and British Gas

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Milliband vs Cameron



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 spending reductions between 2014/15 and 2017/18 beyond the next General Election.
- Shadow Chancellor Ed Balls has committed to Government spending limits.
- Local government spending — excluding police, schools and housing benefit — is set to fall by 24% in Scotland between 2008 and 2015 according to a JRF report.
- The most deprived Scottish councils reduced expenditure between 2010 and 2013 by £90 per head more than the most affluent councils did – a pattern and figure similar to councils in England.



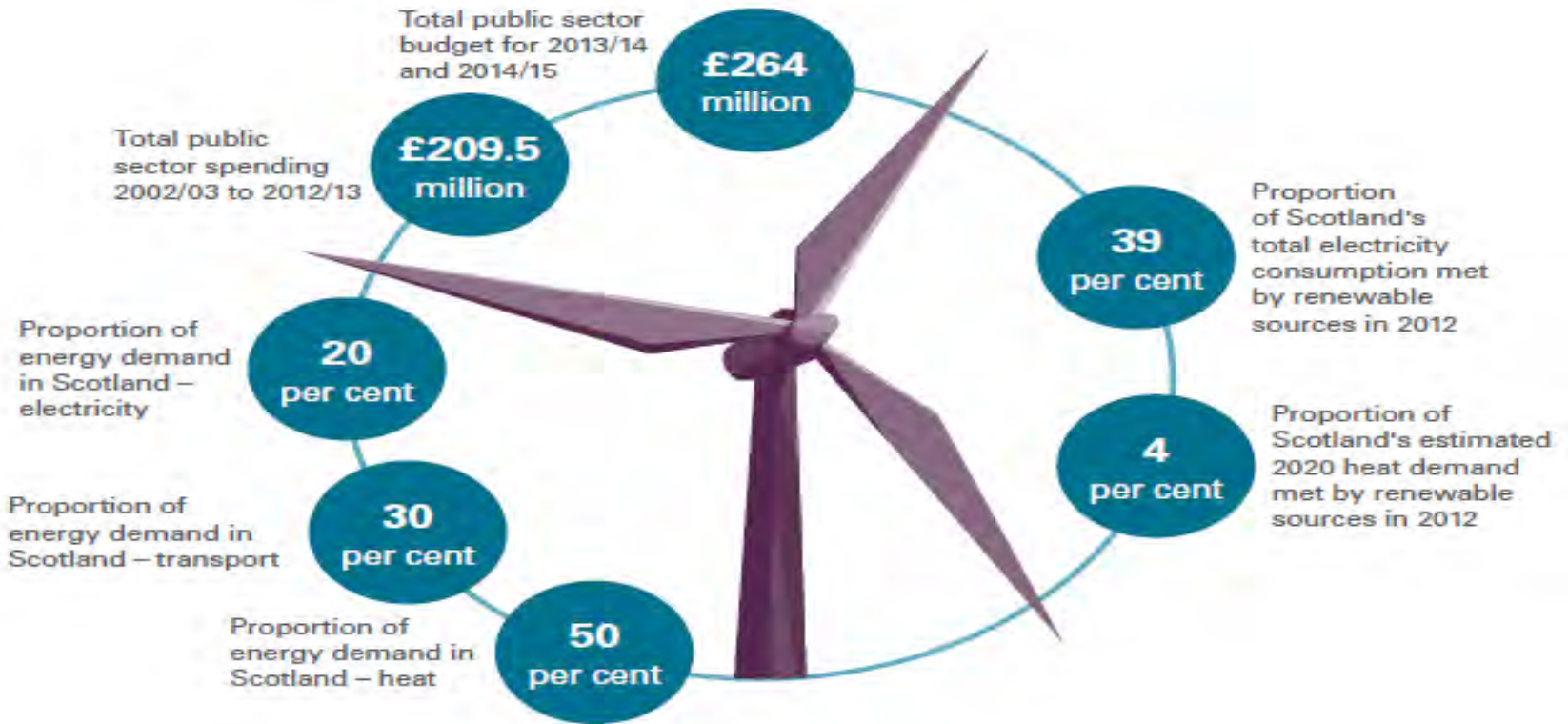


The scale of the challenge & the opportunity



- The Scottish Government have pledged to ensure that by November 2016, so far as is reasonably practicable, people are not living in fuel poverty in Scotland.
- According to Scottish Government figures fuel poverty increased to 684,000 (29%) in October 2011.
- Energy price increases on average of between 8.5% & 11.1% in Autumn 2013.
- Committee on Climate Change estimate that average dual fuel bills will increase by 18% in real terms between 2010 and 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%.
- Scottish Government has set a target for renewables to meet 30% of Scotland's energy needs by 2020.
- The Scottish Government estimates that renewable energy could deliver up to £30 billion investment and 40,000 jobs by 2020.

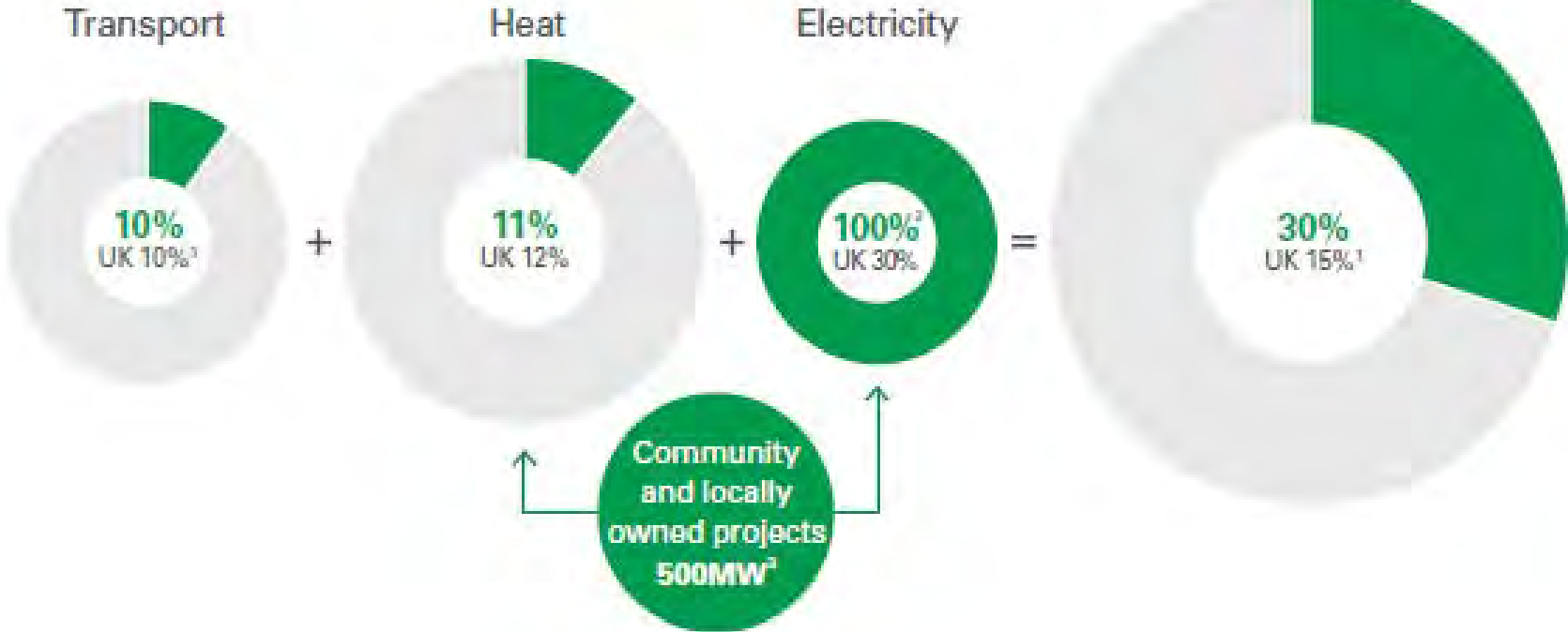
Audit Scotland Report _ renewable Energy Sept 2013



Scotland's renewable targets



To be met from renewable sources by 2020:



Source: Audit Scotland 2013



Why Local Government?

- Localised energy supplies increasing energy security and resilience to energy price fluctuations;
- Achieving energy decarbonisation goals;
- Resolution of social issues associated with energy costs such as fuel poverty;
- Local economic benefit via income generation and increase in jobs and skills within the green energy sector;
- Turning local authority energy, carbon and renewables targets into delivery.



What can we do?

- Assets
- Resources
- Finance
- Influence
- Legitimacy



APSE Energy - What is it?



Prospectus

A POWERFUL PROSPECT



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.”



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.



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 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.
- Developed Parliamentary Links through Alan Whitehead M.P. and PRASEG – Dec 2013
- Created a web page for the collaboration as a resource hub – Jan 2014
- Published a prospectus and terms and conditions of membership – Jan 2014
- Named as a multiplier organisation for TCPA 'Spatial Planning and Energy for Communities in all Landscapes (SPECIAL) project – Jan 2014
- Meetings and visits to local authorities to promote APSE Energy – Jan to April 2014
- Planning first workshop/learning event on retail/sleeving of energy – May/June 2014
- Lobbied DECC on changes to ECO funding and consultation – April 2014.
- Parliamentary launch – June 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

Policy and strategy

- Lobbying
- Briefings
- Networking
- Round tables

Feasibility

- Strategic advice
- Time banking
- Legal advice
- Resource portal

Business case

- Learning events
- Resource portal
- Intelligence
- Research

Development

- Frameworks and supply arrangements
- Pipeline of projects



Membership



Low cost level of membership @ £2k per APSE member authority and £5k for non-APSE member authority

Group discount of 20% in the first year 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.

Members of APSE Energy



1. Aberdeen City Council
2. Barnsley Metropolitan Borough Council
3. Bradford City Council
4. Bridgend County Borough Council
5. Buckinghamshire County Council
6. Cardiff City Council
7. Cumbria County Council
8. Darlington Borough Council
9. Doncaster Metropolitan Borough Council
10. Derbyshire County Council
11. Dudley Metropolitan Borough Council
12. East Dunbartonshire Council
13. East Riding Council
14. Flintshire County Council
15. Gedling Borough Council
16. Guildford Borough Council
17. Knowsley Metropolitan Borough Council
18. Lancaster City Council
19. Middlesbrough Council
20. Newcastle City Council
21. Nottingham City Council
22. Nottinghamshire County Council
23. North Ayrshire Council
24. Oxford City Council
25. Peterborough City Council
27. Portsmouth City Council
28. Reading Borough Council
29. Southampton City Council
30. Stockton-On-Tees Borough Council
31. Swansea City and County Council
32. Wolverhampton City Council
33. York City Council



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 community, economic and social benefits realised.



Contact details

Mark Bramah, Assistant Chief Executive

Email: mbramah@apse.org.uk

Association for Public Service Excellence

2nd floor Washbrook House, Lancastrian Office Centre, Talbot Road,
Old Trafford, Manchester M32 0FP.

telephone: 0161 772 1810

fax: 0161 772 1811

web: www.apse.org.uk



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