

Extraordinary Council Meeting – 26th May 2020

QUESTION PQ11&12

Subject: Bristol Energy

Submitted by Mary Page

To the chief legal officer, section 151 officer and to the Mayor and relevant cabinet member to whom it might also appropriately concern.

The papers for the extraordinary meeting are exempt to the public, however from information that is already in the public domain there are some facts.

- 1) Media announcement of appointment of Ernst and Young to dispose of Bristol Energy (BE).
- 2) All Councillors have now had sight of the exempt papers.
- 3) BE has been supported with £37.7m of council subsidy already.
- 4) The dividends in the millions of pounds, due to be paid to the council have not been paid.
- 5) In BE's short time of operations 16 out of 22 Directors have resigned.
- 6) That even in the light of these eye-watering subsidies, grants have been offered from Bristol Energy for projects such as £20,000 for Avon Needs Trees, but there is no communication to say whether these will be honoured from the additionality budget.

Some logical deductions:

- 1) There is unaccounted for work time by Bristol Council officers that has not been calculated as part of the subsidy to this company. That there may have been council premises which have been provided for the company to use which have not had rent paid for, at a further loss of revenue to the council.
- 2) From my understanding of the energy market, and comments from past and current customers attracted by very cheap tariffs, which are now rising out of line to their energy use, I suspect that: - guarantees have been given to buy energy at a price above that at which the company is able to sell it.
- 3) c.80% of the company's c.120,000 customers are not in Bristol. Which would mean the Bristol tax payers have given away c.£32m to c.96,000 non residents at a rate of around £333 per individual.

I would therefore like to know:

- 1) Why is there (or has been) any justification for prolonging the subsidies as it is likely the Bristol Energy company will need to be sold hence the appointment of Ernst and Young? Or go into administration, unless a rescue package can be found. Extending these lines of financial bailout, where there is no foreseeable

return of the funds, amounts to casino gambling by the Labour administration because this is a strategy that was and is financially unsustainable and morally unjustifiable, as it looks to be political expediency to push the problems of BE past this year's now postponed elections. So to continue subsidising cheap energy rates for non-Bristol residents with Bristol taxpayers' funds, when other areas like special educational needs, adult social care and council housing is in such desperate need of additional funding is reprehensible.

2) What is the total loss and liability to the council for Bristol Energy and should the company be put into administration or be sold?