

## PERIOD 10 APPENDIX – ENERGY PRESSURES

### Introduction

1. Bristol Council has been carrying significant energy pressures in 2023-24 as a result of higher than anticipated energy prices, in particular gas and electricity. Energy prices have reduced from the 2022 peak but remain higher than in previous years. These pressures are most apparent in the Corporate Energy costs, which relate to the increasing cost of gas and electricity used in the Council estate. However, there is also a material pressure in Street Lighting costs. This note provides a summary on the updated forecasts for Corporate Energy and Street Lighting which have been heavily affected by increasing energy prices.

### Corporate Energy

2. The corporate energy costs include a variety of costs summarised below in the latest P10 report.

	Budget	P10 Forecast	Variance
Energy Service Staff and Overhead	705,489	642,619	- 62,870
Energy Utility Purchase (see detail below)	3,577,715	5,583,512	2,005,797
Energy Revenue	- 2,777,334	- 2,952,039	- 174,705
Energy Assets	218,550	367,392	148,842
Miscellaneous	- 80,580	9,171	89,751
<b>Total</b>	<b>1,643,840</b>	<b>3,650,655</b>	<b>2,006,815</b>

3. The pressure is within the Energy Utility Purchase line and is driven by the increasing cost of electricity and gas compounded by the service's decision not to pass these increased costs along to the Council in full. In recognition of the inability of the service to manage pressure of this scale, in 2022-23 the electricity and gas budgets were increased by £1.1m as a result of energy inflation. This increase was reduced to £0.690m in 2023-24 forming the budget shown.

Energy Utility Purchase - Detail	Budget	P10 Forecast	Variance
Electricity	7,442,925	8,007,041	564,116
Gas	3,809,550	4,480,575	671,025
External Recharges	- 3,103,340	- 2,606,702	496,638
Internal Recharges	- 5,859,030	- 5,354,701	504,329
Other	1,287,610	1,057,299	- 230,311
	3,577,715	5,583,512	2,005,797

4. **Electricity.** The Council buys electricity from a number of suppliers at varying rates. The table below uses an average rate per unit based on the actual and forecast total costs and demand. The cost is based on actuals until the end of December from when we are able to use the confirmed winter prices. Climate Change Levy costs are also included in this rate.

Month	Kilowatt Hour	Unit Cost (£s)	Total (£s)
April	2,434,314	0.28	684,591
May	1,952,332	0.29	559,131
June	1,831,432	0.29	524,840
July	1,974,918	0.28	560,335
August	1,945,845	0.29	566,335
September	2,079,578	0.29	604,359
October	2,334,856	0.27	624,069
November	2,762,460	0.26	717,688
December	2,788,502	0.26	711,273
January	2,945,842	0.28	838,304
February	2,869,150	0.28	793,579
March	2,936,188	0.28	822,538
<b>Total</b>	<b>28,855,416</b>		<b>8,007,041</b>
<b>Budget</b>			<b>7,442,925</b>
<b>Pressure</b>			<b>564,116</b>

5. **Gas.** There are fewer suppliers of gas to the Council but for simplicity we have continued to use an average unit cost based on the Total Cost and Kilowatt Hours.

Month	Kilowatt Hour	Unit Cost (£s)	Total (£s)
April	4,053,635	0.10	394,045
May	2,461,650	0.10	251,126
June	1,696,818	0.11	184,013
July	1,707,411	0.11	183,221
August	1,533,877	0.11	167,596
September	1,642,479	0.11	184,773
October	3,014,737	0.10	312,915
November	5,116,952	0.10	497,521
December	5,681,464	0.09	522,253
January	7,179,624	0.09	644,162
February	6,357,572	0.09	570,545
March	6,311,113	0.09	568,405
<b>Total</b>	<b>46,757,331</b>		<b>4,480,575</b>
<b>Budget</b>			<b>3,809,550</b>
<b>Pressure</b>			<b>671,025</b>

6. **Street Lighting.** The table below shows the current forecast of street lighting costs for the remainder of 2023-24 with expected demand (Kilowatt hours) and price per Kilowatt Hour. The forecast prices for the remainder of the year are based on the latest winter prices received. The number of hours is based on the demand in 2022-23. The Climate Change Levy is a tax on energy costs calculated by charging £0.00775 on every Kilowatt Hour used. This increase has been absorbed within the Management of Place directorate but contributes to the overspend in Growth and Regeneration.

<b>Month</b>	<b>Kilowatt Hour</b>	<b>Unit Cost (£s)</b>	<b>Climate Change Levy</b>	<b>Total (£s)</b>
April	871,090	0.36	6,751	324,143
May	757,505	0.36	5,871	281,877
June	693,968	0.36	5,378	258,234
July	691,822	0.36	5,362	257,436
August	766,363	0.36	5,939	285,173
September	818,293	0.36	6,342	304,497
October	980,515	0.23	7,599	237,387
November	1,027,309	0.25	7,962	264,789
December	1,098,842	0.26	8,516	294,215
January	1,035,140	0.26	8,022	277,159
February	824,947	0.25	6,393	212,630
March	776,778	0.23	6,020	188,061
<b>Total</b>	<b>10,342,571</b>			<b>3,185,601</b>
<b>Salix Loan Repayments</b>				<b>191,357</b>
<b>Internal Recharges</b>				<b>-87,878</b>
<b>Total Cost</b>				<b>3,289,080</b>
<b>Budget</b>				<b>2,749,640</b>
<b>Pressure</b>				<b>539,440</b>

7. The above provides a summary outline by the Energy service of the energy challenges facing the council. Full details and the implications to Bristol specifically will be included for review and approval in the P12 provisional outturn report.