

Redditch Borough Council is committed to delivering BEST VALUE services in housing, transportation, leisure and the environment for the benefit of around 79,000 residents and the many others who live and work in the area.



One of Council's many responsibilities is to manage expenditure on energy supplies relating to various public and residential buildings in the Borough. For the 40 or so larger sites, the Council purchased both gas and electricity on contract. However, for most of the 200+ small sites, gas and electricity were still purchased on standard tariffs.

Smith Bellerby was appointed by the Council in early 2003 with the following aims:

- To audit current energy expenditure and associated usage patterns
- To undertake a tendering exercise and hence recommend where cost savings may be made by optimising tariffs and / or changing suppliers
- To manage all aspects of the implementation of the cost-saving recommendations
- To monitor ongoing consumption / expenditure patterns
- To provide regular reports and information to assist the Council with the effective management of their energy supplies

The audit of more than 300 gas and electricity supplies started in April 03 and resulted in data from a 15 month period being collated and analysed. Due to the relatively high contract value, the tendering process, which ran from June to September 03, was carried out in accordance with the Council's Standing Orders. Jenny Smith provided extensive support to the Council at all stages of the process, ensuring that if problems arose, they were dealt with swiftly and effectively.

The results of the tendering process were impressive—with savings of ~£50,000 being achieved in the first year. A similar tendering exercise for 2004/5 has also resulted in savings in spite of significant rises in energy markets.

In addition to reducing direct expenditure, Smith Bellerby has helped to streamline a number of administration processes. The Council now benefits from:

- Consolidated billing in electronic format for the majority of accounts
- On-line access to account management information
- Improved Account Management support
- Independent invoice verification—both in terms of energy usage and charges
- Unlimited support for resolution of billing / account queries
- Electronic presentation of checked invoices such that the data can be fed directly into the Council's payment system without the need for re-keying of data

Teresa Kristunas, Finance Manager, said "Jenny Smith from Smith Bellerby has worked with us and our energy suppliers to improve our invoice management procedures. We now process far fewer invoices than we did last year, resulting in significant indirect savings".



Teresa Kristunas(left) and Jenny Smith

Having established a firm base of cost-savings, further work on energy and water management is now underway.