



Energy & Sustainability Traded Service

... helping you save

Energy Matters

The energy and sustainability service's newsletter
Issue 50 June 2021

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Energy and water pricing for 2021/22

As advised by our buying partners the Yorkshire Purchasing Organisation (YPO), this is what we expect prices to look like in the coming financial year 2021/22:

Electricity: Overall customers should see price increases of around 3-5% overall (Exc VAT and CCL).

The good news is that Climate Change Levy (CCL) has decreased from 0.811 p/kWh to 0.775 p/kWh (4.65%). Please note that sites on 5% Vat do not pay CCL.

For a more detailed analysis on these charges, [click here](#).

Half-hourly accounts only: We have received an update on the buy-back charge that was advised would be applied to half-hourly supplies last year. This charge will be lower than originally advised, and VAT will not be applied.

Gas: Delivered costs (Exc Vat and CCL) are expected to increase by around 5% compared to last years' rates.

The Treasury has increased Climate Change Levy (CCL) rates from 0.406 p/Kwh to 0.465 p/Kwh (14.53%) from 1st April 2021.

For a more detailed analysis on these charges, [click here](#).

Water: 1.5% increase

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Be aware – VAT, CCL and broker activity

We are aware that a broker is contacting schools: **‘A company has been in touch with me regarding our energy costs, and they think we could be due a rebate for Climate Change Levy which we have been charged on our electric bills, and it seems this is applicable to Gas and Oil and LPG as well.’**

This company is not giving schools the whole story, leading to unrealistic expectations. Not all schools qualify for the exemption that the broker is alluding to; and if your school does qualify, then the Energy team has already made you aware and provided the appropriate paperwork for you to claim.

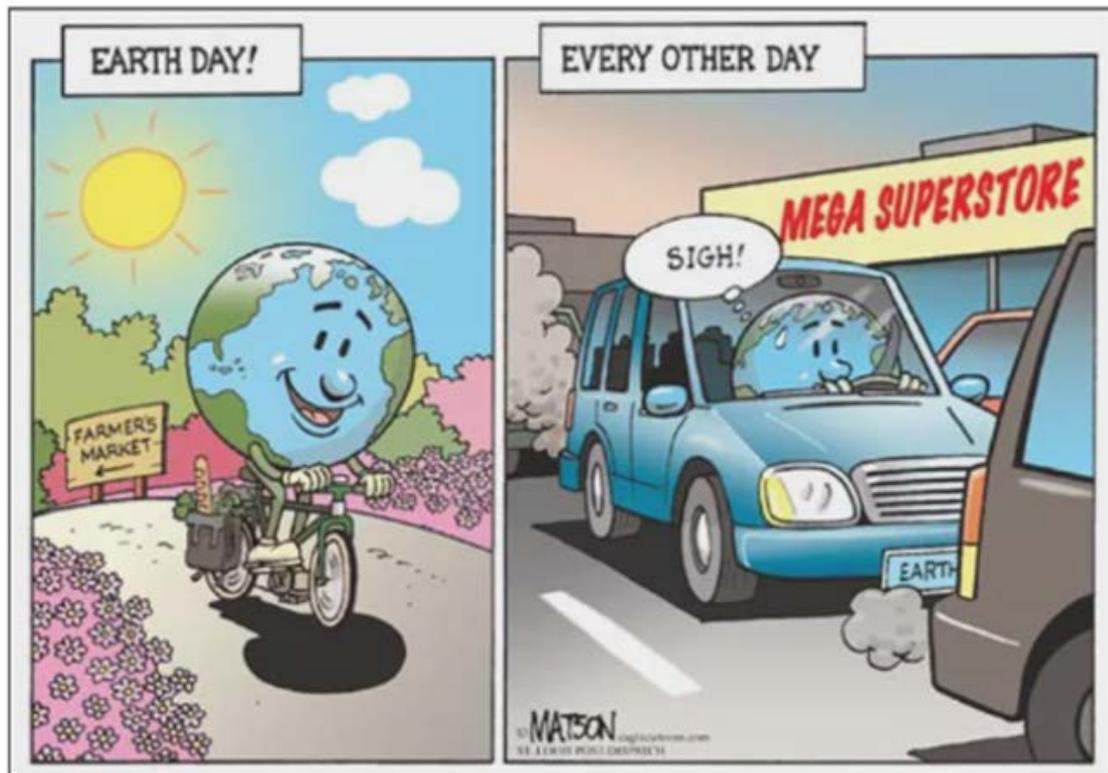
Faith schools, most academy trusts, and certain other schools with charitable status qualify for the reduced rate of VAT; that is, 5% rather than the commercial rate of 20%. But maintained schools do not qualify. Paying the reduced rate of VAT automatically exempts the school from having to pay the Climate Change Levy, which is a green levy applied by the government.

When a school converts to academy status, if they have energy supplies on the North Yorkshire County Council supply contracts, the Energy team gets in touch explaining the change and provide the relevant documents that need to be completed in order to claim the reduction. There is a declaration for each supplier (electric, gas, LPG and oil – water bills don’t usually have VAT applied).

If you think your school qualifies but your energy bills show 20% VAT then please contact us at energy.team@northyorks.gov.uk . We will send you the relevant form(s) to complete and return. And yes, you can chose to backdate the form (six financial years, or to when the school became an academy depending on the qualifying status) – just be aware that backdating the forms means that all bills already issued for this period will have to be cancelled and re-billed to show the correct VAT and CCL rates. The refunded amount then shows as a credit on your supplier account that you can put towards future bills, or ask to be refunded back to the school.

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Every day is Earth hour! Thought for the day.



Cagle Cartoons

With the number of national awareness days increasing. From 'Strawberry ice cream day' to 'national talk like a pirate day' [arggh!] We are seemingly bombarded by the next thing that is attempting to grab our attention. Yet surely environmental issues should transcend this. They are, after all, about the future of our planet and therefore us. Whilst awareness days have their place what is truly needed is long term habitual change that people just do as a matter of course.

At the time of writing we approach earth hour, a time of year where we are encouraged to turn things off correctly and consider our impact on the planet. The question to be asked is does this lead to longer term reductions in our own individual carbon footprints. It may be a start but we need to do even more as far as climate change is concerned as the human race plays catch up to reduce carbon emissions.

In November the world leaders meet at COP 26 to agree the next steps needed to reduce emissions. At the same time attempts are still made to open new coal mines in the name of old style economic growth. Some things truly need to be consigned to history as we are led by science into a green recovery. Yet as the concept of truly green jobs is continually discussed, do our future workforce possess the knowledge, skills and understanding to be able to solve increasingly difficult problems? The schools curriculum is open to interpretation with the term "climate change" notably rare. My own children have had little or no input in formal education about environmental issues and how to solve them. They constantly ask me about what can be recycled and what cannot. As I shout at my teenagers about turning off lights, telling them how unimpressed "Greta" would be, I am increasingly concerned about what the future holds for them.

However I hang onto one little anecdote that really makes me believe in the impact of bespoke Environmental education, reaffirming the reasons why I do what I have always considered more than a job. About 3 years ago, whilst having to stop at a filling station on my way home I was served by a 19 or 20 years old young man who with much glee shouted "You're Power Down Pete! I remember when you visited my school when I was in year 6 and you told me.....he then proceeded to recite elements of my school assembly and told me all about the workshop I had delivered some 8 or 9 years earlier. After all that time, he still remembered my school visit and all associated with it. WOW! The power of education can never be underestimated.

"You cannot protect the environment unless you empower them, you inform them, and you help them understand that these resources are their own, that they must protect them"

[Professor Wangari Maathai first African woman to win the Nobel Peace Prize.]

Which I suppose brings me back to my first thoughts about awareness days. If raising the issues, even if only for one day impacts on that one person enough to change their habits. If visiting a school helps the children understand they have an impact on planet earth be it good or bad. If helping a school reduce their consumption, costs and emissions, then we do take those steps closer to Earth hour becoming every day.

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Healthy Schools scheme: Summer term 2021 training and events

Pupil events

This summer, our Healthy Schools celebration event will take place online on **Thursday 22nd June from 1-3pm** and will include interactive workshops for primary and secondary pupils to take part in. Even if you've not started working on Healthy Schools, you are very welcome to attend but please register with the scheme before booking your place, at [Home - Healthy Schools North Yorkshire](#).

Book your school's place at the event via NYES [North Yorkshire Education Services](#) (nyestraining.co.uk) using course code: SI-0621-T028

Previous celebration events have inspired school staff and pupils to take further action in their schools to improve health and wellbeing



“A pupil healthy school team was set up after being inspired by their visit to the Pupil’s Healthy Schools Launch event at Harlow Carr (Harrogate). The pupils recognise the importance of working outdoors for their wellbeing.”

Headteacher of Aiskew, Leeming Bar CE Primary School (July 2019)

Staff training – please book your **FREE** place (to start the process, or for a refresher)

Since launching in October 2019, 200 members of staff have attended Healthy Schools training.

Our overall aim is for ALL schools in North Yorkshire to become a ‘Healthy School’ so we would like to invite any schools who have not yet registered with the scheme to attend some free training to learn more about how to get started on the award.

We appreciate it has been a very difficult time for schools and would like to stress that the scheme is very flexible so schools can progress at their own pace. We aim to make the process as easy as possible for schools, so that it can fit around your other commitments. We are here to support you in the process so please do contact us if you need help.

If you have already signed up for the award but need a refresher then you are also most welcome to attend the training again.

Online training for Summer term 2021

Getting started on the North Yorkshire Healthy schools award: Thursday 22nd April 1.30-3.30pm (course code SI- 0421-T007) or Monday 28th June 1.30-3.30pm (Course code: SI-0621-T023)

Getting ready to submit for a Healthy Schools award: Tuesday 11th May 2021 1:30-3:30pm (Course code: SI-0521-T009)

To book your free place, please use the relevant course code via NYES [North Yorkshire Education Services \(nyestraining.co.uk\)](http://nyestraining.co.uk)

The Healthy Schools team can also provide support via email, phone and bespoke Teams sessions.

Find our more and register your school at: healthyschoolsnorthyorks.org or get in touch healthyschools@northyorks.gov.uk

Ruth Stacey & Clare Barrowman: Healthy Schools award team.



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Electricity prices – detailed report

Commodity

The price of wholesale electricity prices has seen large increases since the start of the year, this follows a period of low prices as demand fell by around 20% due the Covid-19 Pandemic. The commodity element makes up around 35-40% of the total invoice costs.

The main drivers for electricity markets are as follows:

- Higher gas prices due to low storage levels and a cold winter/early spring- On average around 40-50% of UKs electricity comes from gas fired power generation, therefore higher gas prices will lead to higher electricity prices.
- Higher Coal prices due high global demand as economies open following the pandemic- Although Coal use in significantly down in the UK compared to recent years, coal is still used on some days for electricity generation.
- High Carbon prices due to reduced supply and tougher emission targets across Europe. Non-renewable generators must pay more to produce electricity as a result.

Through YPOs effective purchasing strategy the wholesale element for 21/22 is marginally lower than the wholesale rates in your 20/21 prices. Commodity prices contained within your latest rates are around 45% lower than the current market.

Non-commodity

As with previous years non-commodity costs have increased due to investment in the network and subsidies for renewable generation. Please note that these charges are regulated by OFGEM and are charged by all suppliers within the market. The big changes for this year are the Renewable Obligation charge has increased by around 6%, with Transmission and distribution charges up on average by 5%.

Overall customers should see price increases of around 3-5% overall (Exc VAT and CCL) as the commodity decrease is outweighed by the non-commodity increase compared to last years rates. The good news is that Climate Change Levy (CCL) has decreased from 0.811 p/kWh to 0.775 p/kWh (4.65%). Please note that sites on 5% Vat do not pay CCL.

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Gas prices – detailed report

Commodity Summary

Wholesale gas prices have increased by around 50% over the last few months, this follows a period of lower prices during the pandemic last year. There are numerous factors that have led to the increase. which are summarised below:

- Winter 20/21 was cold in the UK and Europe compared to historical averages. Spring has also been cold, which has kept demand for gas high.
- Temperatures were even colder in the likes of Japan, China and South Korea during the winter- This attracted Liquid Natural Gas (LNG) cargoes away from the European market and into Asia, meaning Europe had to withdraw gas from storage at a high rate.
- Asia and Europe continue to compete for LNG Cargoes as they look to fill up Storage
- European gas storage stocks are currently at multi year lows. High demand expected this summer to replenish stocks.
- The economic outlook has improved due to the majority of Countries coming out of strict lockdown rules, this puts pressure on commodity prices.
- Carbon prices have hit record highs, which has meant gas is favoured over coal for electricity generation.

Non-Commodity Summary

The majority of the non-commodity elements that make up the standing charge have increase in line with inflation. The big change has come from Unidentified Gas (UIG) which is basically gas that is not accounted for within the network. This charge is going to see a large increase from 1st October 2021 due to changes in the way it is calculated, the average increase across the YPO portfolio is around 400%, due to the annual price changes we have on the YPO basket, this will be reflected in these new rates to avoid under recovering. Corona Energy did appeal this change, however it was rejected. The UIG charge is something that all customers pay regardless of supplier and is an unavoidable charge.

It is worth noting that the Treasury has increased Climate Change Levy (CCL) rates from 0.406 p/Kwh to 0.465 p/Kwh (14.53%) from 1st April 2021.

Due to it being a sign up year, the amount of volume within the basket is constantly changing and this has made forecasting very difficult. Due to the large increases in the commodity cost since the start of the year and a large increase in the unidentified Gas charge, **delivered costs (Exc Vat and CCL) are expected to increase by around 5% compared to last years rates** . Sites that have seen changes in their consumption levels will differ from this forecast. The commodity element (50% of the total bill) is 19% below the current market rates taken on 25th May 2021.

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