

An eye on energy



There are simple ways to reduce your setting's power bills, says **Stephen Gaubert..**



Introducing small changes into your setting can have a significant financial impact on your energy bills and help to protect the environment.

Stephen Gaubert helps organisations manage their overhead costs. For more information, call 020 8482 1370 or 07785 340 280, email stephen.gaubert@auditel.co.uk or visit auditel.co.uk/stephengaubert

The cost of energy for all businesses is rising continuously. Irrespective of the prices in the wholesale energy markets, energy costs will continue to increase over the next decade to finance upgrades to the UK's energy infrastructure and the push towards renewables. However, for early years settings, energy is one of those overheads where costs can be managed and reduced.

There are two aspects in managing your energy costs:

- Smarter purchasing.
- Managing your usage through energy efficiency measures.

Contracts

Let's start with energy supplies. Unlike the domestic market, business energy is subject to contracts, which will normally be on a one, two or three-year basis. The first step is to make sure that you diarise when the contract ends. It's essential to know your termination window and give notice in time.

The renewal process is a complex one and differs between each energy supplier. When you receive a renewal offer from your supplier, seek to get a better price. All the main energy suppliers have websites where it's easy to get a quote. Some degree of negotiation is usually possible.

About your meter

Check that the meter number on the bill matches your meter details. Make sure that you're paying for the correct supply. Send meter readings when asked, to avoid estimated bills. Finally, over the next few years, your meter will be converted to a smart meter. This will avoid estimated readings, as the meter will automatically send the details to the supplier. It will also give you the ability to take frequent readings, so that you can understand how your energy is used.

Energy efficiency

Implementing energy efficiency measures is one way you can actually reduce your usage, and therefore your costs. In a recent survey, one of the major suppliers reported that

nearly 80 per cent of the UK's 4.8-million small businesses are potentially missing out on saving money. Every year, possible savings of up to £2,000 each are lost by not implementing energy efficiency measures.

There are three key ways to reduce energy costs and become energy efficient:

- Carry out an energy audit in your setting. Know what equipment is being used, when it's used and by who.
- Check that the controls on the boiler, heating and lighting are working properly and turn on and off when you need them to. Make sure that equipment (e.g. computers, copier/printer) is switched off at the end of the day.
- Where appropriate, make changes to your building infrastructure, e.g. install low-energy lighting such as LED, improve insulation and look at power factor correction devices, etc.

Finally, why not encourage the children to take part by looking at the relationship between outside temperature and heating/lighting use?

REAL TIME INFORMATION



MIKE CHERRY, NATIONAL POLICY CHAIRMAN AT THE FSB, LOOKS AT THE NEW SYSTEM OF REPORTING PAYROLL...

The move to reporting payroll in real time - Real Time Information - is one of the biggest changes to the system since its inception. The system has been running for about a month, so I imagine that many of you will now have first-hand experience of using it.

The FSB still has some concerns about how small firms are going to cope with the administrative burden of the scheme. One concern is that it will put small firms off taking on staff. With very fragile economic recovery and the economy just missing an unprecedented triple-dip recession, as

many businesses as possible need to be able to grow and create jobs to get it back on a stronger footing.

However, we were pleased that HMRC has recognised this and relaxed the reporting requirements for some small firms. For example, some businesses will be able to report once a month, rather than every time a change is made. This is why we are still calling for HMRC to allow smaller firms the opportunity to report regularly, but not in real time.

We'd be keen to hear your thoughts about using the system and any issues you may, or equally may not, have had. Email us at press@fsb.org.uk to tell us more.

The Federation of Small Businesses is the voice of small businesses in the UK. For more information on becoming a member, visit fsb.org.uk