



Asset Transfer

Transferring utilities - navigating the pitfalls

The Role of Utilities in Asset Transfers

When taking responsibility for a heritage or community asset, community organisations need to demonstrate to the local authority, potential funders and its own supporters that it has a viable long-term project with realistic future operating costs that allows for changing circumstances.

The business plan should include information on expected overheads and utilities are an important part of this.

ESTABLISHING A REALISTIC UTILITY COST

When preparing for an Asset Transfer utility costs and associated issues can easily be overlooked, so how to establish a realistic budget? One needs to contact the current owner, usually the local authority, the current supplier and possibly, the data collector to provide historic consumption data about the site. By combining this with your plans for the building we can help you establish a realistic consumption forecast.

ARE THE UTILITIES FIT FOR PURPOSE?

One also needs to establish whether the condition and capacity of incoming supplies are correctly matched to your site's anticipated requirements. Many utility costs relate to the size of pipework, meters and cabling. If the building previously had large incoming supplies you could be inheriting higher than necessary monthly costs. Alternatively, the site's infrastructure may have insufficient capacity to support your planned requirements, which may require services to be moved or upgraded with the local network operator and supplier.

The Energy Action Group

Efficiently managing utilities complexity



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HELP AND GUIDANCE

The Energy Action Group (EAG) has in depth experience of managing the transfer of utility services (gas, electricity and water) for organisations taking over property portfolios or single buildings under Asset Transfer schemes. We know how disruptive the process can be if not handled carefully.

Often, the local authority transferring the asset is understaffed and dealing with numerous other urgent matters. Utility issues often take a back seat and supplies can easily become orphaned in the transfer process with neither party fully aware of the situation. It is often difficult to establish the full portfolio of meter assets and supplies on site which then presents the risk that energy is consumed with no payment or budgeting arrangements in place. This can lead to calamitous arrears with severe financial implications and even disconnection of services.

Local Authorities manage significant numbers of energy and water supplies with individual supply contracts absorbed in large framework portfolios. Individual supplies can drop through the cracks and get overlooked by the council in the Asset Transfer process. Where the existing supply details are not established before the transfer, the result is excessively high bills on 'out of contract' rates which is the last thing a new team need when taking over a site for the first time. It is therefore essential that the local authority provide full copies of the last utility bill for each supply so the new management team has all necessary information about their new utility portfolio. We recommend these are secured early in the process to enable proper budget preparation and utility management.

WHAT DO I NEED TO DO?

The EAG can help you ensure an orderly Change of Tenancy (COT) process. This should take place in the weeks running up to the transfer date but we also help untangle things retrospectively. We'll help you correctly identify all services on site and gather the essential unique supply point identification details.

We can assist with estimating annual kilowatt consumption and the likely annual cost for budget planning.

We will research the market the best tariffs for your sites and seek quotes that share a common contract end date with the Energy Action Group so that you can participate in the annual bulk energy basket tendering. By aligning contract end dates this will make your utilities much easier to manage with less costly labour through the year. There is no obligation to accept the quotes we find, nor is there any cost to you in belonging to the Energy Action Group.

It is critically important to take readings of all meters, backed up by photographs, on the day that responsibility for the asset changes hands.

We wish you success with your Asset Transfer negotiations and very much look forward to assisting with a smooth and managed transfer of the utilities involved. Please do not hesitate to contact us when planning your next Asset Transfer.



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The Energy Action Group in partnership with
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