

To be or not to be, in-house or consultant, that is the Question

Many organisations seek services of energy management service providers or consultants to work alongside their in-house energy managers or other in-house personnel partially responsible for energy management tasks. Consultants are engaged for a variety of reasons, from acting as energy managers and investigating potential options for achieving greater energy efficiency, through to compiling audits and reports or purchasing utilities.

The Energy and Environmental Manager at the Bank of England, Vassia Paloumbi shares her experience of working with energy services providers.



"I have worked as an internal Energy and Environmental manager for a number of different organisations throughout my career, and predominantly in the public sector. Often, my role is situated within the estates/property team and in most cases I will be the only person in the team working on energy, environmental issues and sustainability. Therefore, I often find that I need to work with specialised consultants as an extra expert resource to help me identify the main issues around energy management, compliance and to set relevant strategies, policies and procedures.

The role of Energy and Environmental manager is a varied one and so in the past, I have worked with consultants who offer a specialised service and their technical skills across a range of energy and environmental issues. The main services I have procured through energy management consultants are energy audits and identifying of potential energy/carbon reduction projects,

helping with relevant target setting and environmental compliance assessments for different sites. But I have also used consultants for data verification and certification purposes. Due to the nature of our work and field I have been lucky enough to meet a large number of consultants and consultancies over the years. I have drawn on the knowledge and experience of various consultants and consultancies to find the best way forward to deliver specific projects, using their experiences of working in similar organisations to better understand what will and will not work well in ours.

The one thing I have not used external consultants for is to write or deliver strategy for the organisations I have worked for. I am a strong believer that the most effective strategies are drawn up internally. I think, where possible, organisations should wisely use consultants as 'critical friends' to draw from their experience from other similar organisations.

In my experience, some organisations and members of staff can be hesitant to accept an external point of view when it comes to strategy or policies. But I have also experienced times when an organisation has actively used an energy consultant to talk to their board or senior manager in order to get buy in from the top as external views are sometimes considered to carry more weight in certain organisations.

To summarise, consultants or consultancies can be an extra resource of great expertise especially if there is not an in-house environment function (post) within your organisation. But when it comes to strategy, where possible I personally would always look to develop this internally and instead use consultants/consultancies to cast a critical eye over the detail once established and or help with the delivery".

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Luke Richardson and Katie Greenhalgh on the right balance between in-house and consultancy.

Luke Richardson, Independent Energy Consultant and Lead Sustainability Officer at Wakefield Council



"I was an in house energy manager for Flamingo Land Resort, a theme park, zoo and holiday village from 2014 to 2016. I am now engaged with them on a consultancy basis. Following my studies of Environmental Science and Management MSc, I started my career at North Yorkshire County Council as an Energy Assessor. I first started working at Flamingo Land as their Systems Auditor and then shortly after, in addition, I started investment planning for City of York Council's social housing. My auditing led to me knowing the sites buildings, staff and management structure well and within a couple of months I took the energy lead as the emerging ESOS compliance date and some issues with the CRC EES needed addressing.

Being in-house, I was regularly on site, available to answer questions, monitor behaviour and aid the discussion surrounding new projects with an energy bias. Persuading senior management that installing a CHP unit would deliver savings as opposed to a straight boiler swap was one of these meetings I was pulled into last minute! I was also available ad hoc to help other team members to consider their use and notice where things could be improved. A good example is having conversations regarding close down processes so equipment was not left on or why particular machines were required (or not) to be on overnight.

On a consultancy basis this site knowledge requires regular site visits at different points of the day, informed by trends or anomalies found in energy data or from site observations. Targeted monitoring needs to be justified and communicated well for financial and business

disruption reasons. The staff required need to be available for questions and potentially training or instructions when you are on site. Showing a new unit manager how to use their controls or to show you what new equipment might be using more gas for example.

A few of the benefits of an in-house energy manager are subtle but not to be overlooked: in house, you're trusted so people don't feel as though they're being interviewed and criticised for their energy use or approach. This helps to build an open honest relationship with people within the company where you can frame your actions as supporting their case and helping to reduce costs. In essence, it is explicit you're on the same team.

Coming in as a consultant, the reaction is a little colder to your presence, staff behaviour changes because you are there. That spike you're coming to have a look at may disappear because you are trying to observe it. I still wear my uniform when on site to ensure staff aren't "behaving for teacher" whilst I'm looking into the reasons for a particular change in the profile. As a consultant, the natural path is to try and achieve action and results quickly. This produces time pressures and the need to persuade others to instigate change. This can come across as pushy and salesman like which many contractors have unfortunately fallen fowl of whilst approaching the company.

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In house I completed the EMA ESOS training to aid in the company's compliance with the Energy Saving Opportunity Scheme assessment and in return they received all information and legacy of that process along all of the data associated with it.

As part of the auditing required, we used portable loggers to assess consumption across a varied range of assets: rides, restaurants, park homes, kiosks and lighting alongside the existing metering arrangements. This was done with others in house which identified key contacts quickly, and also people who were particularly interested in this area of work. Knowing the champions and those you can trust to instigate action in your absence was crucial to knowing I could deliver the same impact on a consultancy basis."

Which is best?

"I feel large organisations and the public sector are more suited to in house energy managers. The systems of governance and corporate structures need an experienced person to navigate. Identifying the people with the correct level of authority, the timescales needed and getting a binding decision takes time, experience and often a great amount of patience. Any energy manager needs to fully understand the

business, their needs, drivers and goals as well as potential barriers. Small businesses are unlikely to need an in house energy manager and this would extend to SMEs where there is not the expertise or desire to identify the opportunities within their area of work. The brief is usually to reduce bills so demonstrating a reduction in cost is achievable with a relatively light touch approach, avoiding many of the issues on influencing behaviour change.

The ability to steer business critical decisions is only achievable if the board want you there in the first place. In house energy managers already have the role and mandate but consultants are usually called upon when that expertise is already accepted as needed. I would argue that the organisations that have put sustainability issues at their core, with an in house energy manager, are achieving more per pound than those calling on consultants on an ad-hoc basis.

Our reality is that energy managers (or carbon/sustainability managers) are seen as a “nice to have” in some areas of business, rather than business critical, as protectors of the bottom line and potentially top-line. This mind-set is a tough one to crack. In my view, consultants carry expertise that should be used and called upon for specific projects alongside an in-house presence who will champion the cause within the organisation and more importantly notice when this expertise is required.”

Katie Greenhalgh, Senior Energy Projects Officer, Nottingham City Council



“In Spring 2016, I decided to take on a new challenge and move from my position as Environmental Consultant at Investors in the Environment, which I had held for 5 years, to a Senior Officer position in Nottingham City Council’s Energy Projects Service. Here, I describe my reasons for the change, as well as exploring the differences I have found between the two roles.

Moving away from a career in consultancy presented an opportunity that I had been increasingly interested in, which was to have greater influence and control over project development and implementation. Having recently returned from having my first child, I also saw a range of practical benefits from the move, including flexible working hours, reduced national travel and less out of hours work commitments.

In my role as environmental consultant for Investors in the Environment, I provided a range of services to business and local authority clients. I was often given a defined brief and provided the technical information an organisation required to achieve a pre-determined objective. This

could include an energy survey, renewable energy feasibility study or development of an Environmental Management System, usually to reduce costs or increase competitiveness of the client organisation. Working in this way had the benefit of gaining a wide range of experience, working in different sectors on a variety of projects and often under tight time pressures which I thrived upon. However, apart from supporting clients to influence decision makers through reports and presentations, the project was often then handed back to the client to take forward.

In my new role within the Energy Projects Service of a large organisation, I have the opportunity to work on projects from inception to completion and ongoing monitoring. It is incredibly satisfying to research a new idea, present it to management and see a project move from planning stages to implementation and then be able to track the impacts a project has had. This year we have invested over £475,000 in energy efficiency projects and have an ongoing programme to invest in renewable technologies, which is helping to cut energy bills and generate an income for the Council, protecting frontline services and contributing to Nottingham’s ambitious carbon reduction strategy – in fact last year we celebrated meeting our 2020 carbon reduction target 4 years early!

There has also been more variety than I had expected; although I deliver some ongoing programmes of work, such as those outlined above, I also have the opportunity to consider more innovative technologies which was not always possible when given a defined brief by a client. I worked on a bid to secure £200,000 funding from Defra’s Air Quality grant programme, enabling us to trial innovative stationary fuel cells in our building stock, and have also explored opportunities to implement Demand Side Response, battery storage and expand Nottingham’s district heat network.

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There are of course different challenges which come from working within a large organisation, including a complex organisational structure and many internal stakeholders to consult with, as well as the stringent approval processes which is required within a local authority setting.

I believe there is real benefit to having in house energy management roles;

- they are cost effective for an organisation compared to consultancy fees, with the rising cost of energy providing further justification for an internal role as higher cost savings will be available,
- individuals can take ownership of a project and drive it forward,
- large, complex organisations benefit from a single, long term point of contact for continuity, co-ordination and project management,
- expertise is developed and retained in house, and
- team members have more opportunity to consider innovative technologies and energy management strategies.

There is also still a lot of value that consultants can provide, particularly where there are specific packages of work which an organisation doesn't have the capacity or expertise to deliver, or perhaps where an SME can't yet justify a full time energy management position.

Successful consultants will continue to offer specialist, niche services and will take advantage of policy changes, for example supporting organisations with legislative changes post-Brexit, or the changing role of Distribution Network Operators. Support with the wide range of emerging and often competing technologies we are seeing will also be an area of growth. In this exciting and fast changing sector, there is opportunity for both in house energy managers and consultants to continue to change organisational practices, reduce energy consumption, costs and carbon emissions, and importantly drive forward change and innovation."



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