



Portfolio Holder Decisions

Resources Portfolio

1. **Renewal of the Council's Energy Procurement Contract** (Pages 1 - 4)
Report of the Service Director Performance and Innovation

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Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Marianne Hesketh, Service Director Performance and Innovation	Cllr Alan Vincent, Resources Portfolio Holder	29 June 2017

Renewal of the Council's Energy Procurement Contract

1. Purpose of report

- 1.1 To agree the renewal of the Council's energy procurement contract with British Independent Utilities (BIU) for a three year period commencing October 2017.

2. Outcomes

- 2.1 The delivery of a cost effective energy procurement service.

3. Recommendation/s

- 3.1 The renewal of the council's energy procurement contract with BIU for a three year period commencing October 2017.
- 3.2 That the approval to renew the Council's contract with BIU is dealt with under the exemption to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules on the grounds that exemptions may apply regarding the appointment of consultants including architects, engineers, quantity surveyors, solicitors, barrister and other people providing professional services.

4. Background

- 4.1 The council's current energy procurement contract with BIU is due to expire in October 2017.
- 4.2 A multi-disciplinary team appraised different options involving benchmarking other suppliers and concluded that BIU offered the most cost effective service.

5. Key issues and proposals

- 5.1** BIU has proposed a three year fixed rate contract at £3,000 per annum, which is the same as the current agreement. Over the three years this will cost the council a total of £9,000.
- 5.2** For this fee, BIU will purchase energy at least 12 months in advance and is able to guarantee a saving of £7,530 on the costs of electricity based on current consumption. Offsetting this saving, there will be an increase of £520 on the cost of gas based on current consumption. The net saving will be £7,010 in the first year.
- 5.3** Given the overall saving in costs, the results of the benchmarking undertaken and our satisfaction with the service received from BIU, it is recommended that the contract with BIU be extended for a further three years.

6. Delegated functions

- 6.1** The matters referred to in this report are considered under the following Executive Function delegated to the Resources Portfolio Holder (as set out in Part 3 of the Council’s Constitution): “To consider departures from Rules relating to financial and contractual matters if appropriate.”

Financial and legal implications	
Finance	The BIU proposal will generate a full year saving of £7,010 when compared with current costs and based on current levels of consumption.
Legal	A formal contract for these services will be entered into.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	✓
climate change	x
data protection	x

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List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None

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