

Record of Officer Decision

Review of Gas and Electricity Supply Contract and Future Contracting Options

Decision Taker and Date Decision Taken:

Chief Executive of Torbay Council, in consultation with the Group Leaders, on 14 November 2019

Summary of Matter or Issue Requiring Decision:

The current contract is for the supply of metered gas and HH (Half-Hourly) and NHH (Non-Half Hourly) electricity supplies for the Torbay Council corporate estate, single or multiple meter points. These are billed in their own right to service budget holders within the Authority.

HH supplies will relate to the large premises within the Torbay Council corporate estate such as the Town Hall and will produce half hourly data for consumption. NHH being the lower consuming sites, usually under 100kVA using standard meters which are read manually or may feature Automated Meter Reading (AMR) technology. Gas is billed using consumption only, similar to the NHH electricity supplies.

Since April 2016, Torbay Council has procured its energy through Laser Energy Group Kent County Council - who are a specialist trading arm within the Council dedicated to delivering gas, electricity and other utility services for the public sector. They are an established Public Buying Organisation (PBO), set up for this very purpose and recognised nationally. Since April 2018 the Council's street lighting and signs energy provision has been met through this contract.

Laser purchase Torbay Council's electricity requirements in advance of a year, 1 October to 30 September, for the following energy supply year. This provides some budget certainty although weather can also have a big impact on the volume used in a year. Torbay Council's energy volume is aggregated with other authority's energy requirements and purchased a number of years in advance to give an average market price. Using this model, Laser delivers below average wholesale electricity prices, this is detailed in the submitted report for both gas & electricity.

This is a budget decision which needs to be taken before the Council meeting on 5 December 2019. In accordance with Paragraph 1.19 of the Officer Scheme of Delegation, the Chief Executive consulted the Group Leaders on 11 November 2019.

Decision Taken:

- (i) to remain with the 'Devon Energy Group' and purchase our energy requirements through the Group; and
- (ii) to contract with Laser Energy Group (Kent County Council) to procure, manage and supply Torbay Council's gas and electricity needs from 1 October 2020, for four years.

Summary of Reason(s) for Decision Taken:

To agree a way forward to enable the supplier to procure energy in advance of the new supply period. Laser have established a new framework running from 1 October 2020 to 30 September 2024.

Summary of Alternatives or Options considered and rejected and Background Papers:

Alternative options are set out in the submitted report.

Details of any conflict of interest and dispensation granted to the Officer taking the decision or by any Member of the Council in delegating responsibility for any specific express delegation:

None

Implementation:

This decision will come into force immediately.

A copy of this decision and any supporting documentation considered by the Officer taking this decision may also be available for inspection by the public at the Council's offices or posted upon payment of any copying and postage charges. Any member of the public wishing to take up either of these options is asked to please ring (01803) 207087 or email governance.support@torbay.gov.uk

Signed: _____ Date: 14 November 2019
Chief Executive of Torbay Council