



PUBLICATION OF DECISION LIST NUMBER 11/21-22

MUNICIPAL YEAR 2021/2022

Date Published: Tuesday 13 July 2021

This document lists the Decisions that have been taken by the Council, which require publication in accordance with the Local Government Act 2000. The list covers Key, Non-Key, Council and Urgent Decisions. The list specifies those decisions, which are eligible for call-in and the date by which they must be called-in.

A valid request for call-in is one which is submitted (on the form provided) to the Governance and Scrutiny Team in writing within 5 working days of the date of publication of the decision by at least 7 Members of the Council.

Additional copies of the call-in request form are available from the Governance and Scrutiny Team.

If you have any queries or wish to obtain further report information or information on a decision, please refer to:

– Claire Johnson (0208 132 1154)

INDEX OF PUBLISHED DECISIONS – Tuesday 13 July 2021

List Ref	Decision Made by	Date of Decision	Part 1 or 2	Subject/Title of Report	Category of Decision	Affected Wards	Eligible for Call-In & Date Decision must be called in by (If Applicable)	Page Number
1/11/2 1-22	Sarah Cary - Executive Director of Place	Wednesday 21 st July 2021	Part 1 & 2	Procuring a Council Housing Electricity Supply Contract	KD 3473	All	No – Call-in Waiver	1-2

DECISIONS

For additional copies or further details please contact Claire Johnson (020 8132 1154), Governance and Scrutiny Team.

LIST REFERENCE: 1/11/21-22

SUBJECT TITLE OF THE REPORT:							
PROCURING A COUNCIL HOUSING ELECTRICITY SUPPLY CONTRACT							
Part 1 or 2 (relevant exempt Paragraph)	Wards affected by decision	Decision taken by	Date Decision comes into effect	Interest declared in respect of the Decision	Category of decision (i.e. Key, Non-Key, Council, Urgent)	Contact Details	Eligible for Call-in & Date to be called in by
Part 1 & 2 (Para 3)	All	Sarah Cary - Executive Director of Place	Monday 5 th July 2021	None	KD 3473	Liz Wright - Energy Manager E-mail:liz.wright@enfield.gov.uk Tel: 020 8132 0971	No – Call-in Waiver
DECISION							
<p>AGREED subject to not being called in:</p> <ol style="list-style-type: none"> 1. That the Executive Director of Place agrees to the approach in respect of procuring a 12-month contract for the supply of electricity to Council Housing sites. The procurement will involve call-off via a mini competition using LASER's¹ Public Contracts Regulations (PCR) compliant Fixed Term Fixed Price (FTFP) multiple provider Framework Agreement. The new contract will commence on 1st October 2021 and run until 30th September 2022. 2. That authority for the award of the contract up to a value of £2m be delegated to the Director of Housing & Regeneration, Place Department. Should the value of the contract exceed £2m then authority will revert to an Executive Director. 3. That green electricity should be procured (ie that which is Renewable Energy Guarantees of Origin (REGO) certified) unless it is more expensive than brown electricity by a margin of 5% or more. Should this be the case, then the budget holder, the Director of Housing & Regeneration, Place Department, will determine which type of electricity should procure in line with best value principles, whilst taking into account the commitments to REGO certified electricity in the Council's Climate Action Plan. 							
ALTERNATIVE OPTIONS CONSIDERED							
<ol style="list-style-type: none"> 1. Do nothing. The current contract will end on 30th September 2021. If a new contract isn't secured, the supplies will be subject to 'out of contract' rates from 1st October 2021, which are significantly higher (greater than 100%) than contract rates. This will incur additional costs to the Council of an approximately £1.4 million a year, taking the annual bills up to £2.8 million. 2. Transfer all Housing landlords' electricity supplies to LASERs existing Two Year Rolling flexible contract (which is currently used for corporate property energy purchases), terminating on 30th September 2024. This is not the preferred option as it is felt that better pricing can be obtained using the FTFP contract as per the attached Background Paper. 3. Discussions with LASER, as our expert support in this area, have indicated that we are unlikely to secure any greater value from looking at other routes to market given the specific challenges in respect of these supplies. 4. Remove the option to secure REGO certified electricity because it is likely to be higher cost. The Council has committed to move all of its corporate electricity supplies to REGO certified so this option has to be included. However, as noted in 15., should there be a significant difference the delegated officer can decide to opt for brown electricity. 							

REASONS FOR RECOMMENDATIONS

The proposals as set out will allow the Council to secure best value by procuring electricity for Social Housing supplies using a process which has been in place for several years:

1. That the Executive Director of Place approves the procurement of a 12-month contract for the supply of electricity to Council Housing sites. The contract will be secured by call-off via a mini competition using LASER's Public Contracts Regulations (PCR) compliant Fixed Term Fixed Price (FTFP) multiple provider Framework Agreement. LASER is an Energy Buying Group (part of Kent County Council). The new contract will commence on 1st October 2021 and run until 30th September 2022 –
 - 1 a. The current contract runs from 1st October 2020 to 30th September 2021. The Housing electricity supplies have been historically, successfully, purchased under a one-year Fixed Term Fixed Price (FTFP) contract to provide budget certainty and best value. This has proven to be a successful procurement strategy, particularly in relation to the unit prices achieved for the communal heating.
 2. That authority for the award of the contract up to the value of £2m be delegated to Joanne Drew, Director of Housing & Regeneration Place Department. Should the value of the contract exceed £2m then authority will revert to an Executive Director -
 - 2a. The delegation of the authority to procure is due to the nature of the procurement process for a 12-month contract (See Background Document), which requires a decision to be made quickly to secure a supply at the stated price. By not agreeing the contract in time, the Council faces significantly higher electricity prices should it have to rely on out-of-contract rates. The level of delegation is capped at £2m to make sure that any significant increase in cost has Executive Director oversight.
 3. That green electricity should be procured (ie that which is Renewable Energy Guarantees of Origin (REGO) certified) unless it is more expensive than brown electricity by a margin of 5% or more. Should this be the case, then the budget holder Joanne Drew, Director of Housing & Regeneration Place Department, will determine which type of electricity should procure in line with best value principles, whilst taking into account the commitments to REGO certified electricity in the Council's Climate Action Plan –
 - 3a. The Council's Climate Action Plan commits to all corporate electricity being REGO certified and it is assumed that this is what will be procured via this contract. However, it is recognised that a significant variance in cost might not be affordable within existing budgets so there needs to be flexibility for the budget holder to make a decision if the difference exceeds a threshold of 5%.

BACKGROUND

Please note that a copy of the Part 1 report is available on the Council's democracy pages. As the part 2 appendix contains exempt information it will not be available to press and public.