

TDC Electricity Supply Tender

Overview and Scrutiny Cabinet	19 September, 2023 21 September, 2023
Report Author	Zoe Harrison Financial Systems, Income and Payments Manager
Portfolio Holder	Councillor Rob Yates, Cabinet Member for Corporate Services
Status	For Recommendation
Classification:	Unrestricted
Key Decision	Yes
Reasons for Key	An executive decision that involves expenditure over £750k
Ward:	All

Executive Summary:

This report invites members of the Overview and Scrutiny Panel to review the CMT Cabinet report for the Council to enter into a new contract for the supply of electricity to 264 sites within TDC's portfolio that is within the approved budget.

The Council is required to ensure best value for money when procuring its contracts and as such the Council is required to re-procure its Electricity Supply contract before the renewal date of 1st October 2023.

The value of the estimated contract is detailed in the report and exceeds £750k.

Recommendation(s):

The Overview and Scrutiny Panel to review the following:

1. To agree to letting of the contract for electricity supply services as laid out in the report.

Corporate Implications

Financial and Value for Money

The contract is estimated to cost £880k over the 1 year term. This cost is based on a submission from one supplier as at 29 August 2023. Due to the volatility of energy prices this changes on a daily basis.

LASER Energy is a trading style of Commercial Services Kent Ltd - A Company wholly owned by Kent County Council.

LASER's Procurement Team (KCC) will run a mini tender based on our current requirements under a framework containing multiple suppliers for the supply of the electricity.

Legal

It is important that the Council maintains an electricity supply to all its 264 sites which include HRA properties, Port and Harbour and Council Offices.

Procurement of the contract will be in accordance with the Council's CSOs and will ensure that value for money is maintained.

Risk Management

It is noted that the current contract ends 31st September 2023 - if TDC does not enter into renewed contract as from 1st October 2023 TDC will incur Out of Contract rates applied to the billing

Corporate

The provision of electricity supplies to Thanet Council sites is an essential service to maintain the operations within the sites.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and *pregnancy & maternity*. *Only aim (i) of the Duty applies to Marriage & civil partnership.*

This report relates to the following aim of the equality duty: -

- To eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.
- To advance equality of opportunity between people who share a protected characteristic and people who do not share it
- To foster good relations between people who share a protected characteristic and people who do not share it.

The required service to be procured will protect the Council and will ensure that financial interests of the Council and taxpayers are protected.

Corporate Priorities

This report relates to the following corporate priorities: -

- Growth
- Environment
- Communities

1.0 Introduction and Background

- 1.1 The Council's current electricity supply contract comes to an end at the end of September 2023 and requires reprocurring to ensure ongoing value for money.
- 1.2 The Council currently maintains its utility services with a number of different suppliers and the intention is to get all sites under the one supplier.
- 1.3 Electricity supplies are vitally important to all Council owned properties which include but limited to; Council Offices, Port and Harbour sites, Housing properties including tower blocks, Toilets, Cemeteries and Crematorium, Coast Protection and Car Parks
- 1.4 Cabinet approval of key decisions are required for any expenditure that is for a contract over a number of years with an expected value in excess of £750k.
- 1.5 The letting of a contract for the Electricity supply is therefore considered a key decision.

2.0 The Current Situation

- 2.1 TDC's current electricity supplier for the Fixed Term Fixed Rate contract issues bills on a monthly basis. As this contract is to end 31st September TDC will be billed in October at the current rates
- 2.2 Unfortunately we are time constrained to renew the contract and TDC could potentially, post 31st September, be charged Out of Contract rates
- 2.3 LASER will inform TDC on a particular day of the current supplier prices, these have to be agreed and signed off before 14:30 on the same day
- 2.4 Cabinet Key Decision for approval is sought to ensure that the contract can be signed in timely manner

3.0 Options

- 3.1 Members of the Overview and Scrutiny Panel are invited to review the Cabinet report in Annex 1 making any agreed recommendations to Cabinet in advance of its meeting on 21 September 2023.

4.0 Next Steps

4.1 This Report will be presented to the Cabinet at its meeting on 21 September 2023.

Contact Officer: *Zoe Harrison, Financial Systems, Income and payments Manager*
Reporting to: *Matthew Sanham (Head of Finance, Procurement and Risk)*

Annex List

Annex 1: Cabinet CMT Report Electricity Supply Tender (05.09.2023)

Corporate Consultation

Finance: *included in the Cabinet report*

Legal: *included in the Cabinet report*