

**LONDON BOROUGH OF BROMLEY**

**STATEMENT OF EXECUTIVE DECISION**

The Finance Director, Portfolio Holder for Resources has made the following executive decision:

**ELECTRICITY, GAS AND STREET LIGHTING SUPPLY CONTRACTS**

**Reference Report:**

*None.*

**Decision:**

***The Council's four most significant energy supply contracts (gas, street lighting, electricity-half hourly metered, electricity non-half hourly metered) expire on the 30<sup>th</sup> September 2012. The replacement contracts (starting 1<sup>st</sup> October 2012) will all be secured through Laser's (energy brokers) flexible procurement contracts.***

**Reasons:**

Flexible purchasing provides access to wholesale markets (which Bromley could not access on its own), aggregation of demand (leveraging economies of scale) and enables a strategic long term approach to manage the risk of changing prices. It enables partial volumes to be purchased both in advance and during the contract period to build up to the total amount (spreading risk). Flexible purchasing is considered industry best practice and Laser's flexible offering has been independently evaluated by the Cabinet Office as 'outperforming benchmarks' and 'excellent'. Flexible purchasing is recommended for all public bodies by the Pan Government Energy Review. Alternative purchasing methodologies are explicitly not recommended.

As Flexible purchasing involves advance purchases, Laser require confirmation to participate 12 months before contract start.

The decision was taken following consultation with the Resources Portfolio Holder, the Children and Young People Portfolio Holder and the Director of Children and Young People Services.

The proposed decision was scrutinised by the and the Committee supported the proposal.

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Portfolio Holder for Resources  
Finance Director

**Mark Bowen**  
**Director of Resources**

**Bromley Civic Centre  
Stockwell Close  
Bromley BR1 3UH**

**Date of Decision:** 9 Aug 2011

**Implementation Date (subject to call-in):** 16 Aug 2011

**Decision Reference:** RES11012