

**EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT
AND SCRUTINY COMMITTEE**

Minutes of the meeting held at 6.30 pm on 22 October 2020

Present:

Councillor Simon Fawthrop (Chairman)
Councillor Christopher Marlow (Vice-Chairman)
Councillors Gareth Allatt, Nicholas Bennett MA J.P.,
David Cartwright QFSM, Mary Cooke, Ian Dunn,
Robert Evans, Will Harmer, Russell Mellor and
Angela Wilkins

Also Present:

Councillor Graham Arthur, Portfolio Holder for Resources,
Commissioning and Contracts Management
Councillor Colin Smith, Leader of the Council

**49 APOLOGIES FOR ABSENCE AND NOTIFICATION OF
SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillor Nicky Dykes. Councillor Nicholas Bennett attended as substitute.

50 DECLARATIONS OF INTEREST

There were no declarations of interest.

**51 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE
PUBLIC**

Three written questions were received and are attached at Appendix 1.

**52 AUTHORISATION TO PROCEED TO CONTRACT: ENERGY
SERVICES**

The Leader of the Council on 21 July 2020, approved proceeding to procurement for energy supplies from the United Learning Trust Framework via a mini competition. The report sought authorisation to award contracts for London Borough of Bromley's electricity and gas supplies following the mini competition.

In opening the debate, the Chairman sought an explanation as to the cause of the delay in bringing a decision forward. The Leader of the Council explained that he had wanted to seek some clarification concerning some of the

22 October 2020

information contained in the report – such as the price of Brent Crude – and as a result of this there had been some delays in finalising the report. Whilst acknowledging the explanation provided by the Leader, the Chairman expressed concern that the report had not been flagged for attention on the Contracts Register.

The Committee noted that the report was seeking delegated authority and requested that Officers report back to the Committee once the final contractor had been determined.

In response to a question concerning the fuel mix of the electricity that was being purchased, in particular green energy, the Assistant Director for Strategic Property confirmed that all electricity and gas supplies were coming from 100% renewable sources (solar and wind power in relation to electricity). It was noted that the actual mix of energy could be obtained from the broker and shared with Members following the meeting.

Members noted that 30 days' notice was required in order to end the default tariff. The Assistant Director for Strategic Property reported that at this stage the financial impact of going onto default tariffs was unclear as due to the nature of the energy market the final cost would be dependent on agreement of the next contract.

The Chairman noted that the chosen procurement framework was for a five-year period but within that framework the contract was for a two-year period. After two years a further contract could be negotiated. The recommendation from the broker was that the Council should agree a fixed two-year contract as a result of the fluctuation in prices within the energy market since July 2020. It was noted that the price would be fixed for two years irrespective of any further fluctuations in the market and this would provide cost certainty during that two-year period.

In response to a question concerning to what energy usage the contract applied, the Assistant Director for Strategic Property confirmed that the Council buildings were included as was street lighting (which represented the single biggest usage of electricity). The contract also applied to some leisure centres and some libraries but not all and this was dependant on the lease arrangements that were in place and whether the Council had an undertaking to provide the service.

The Committee requested that at a future meeting a separate paper setting out details of contracts with other organisations where the Council was supplying services (such as energy, water, maintenance) over which it had no control as well as that changes that had been made to contracts which have enabled the Council to pass on charges for services such as gas and electricity to contractors be presented.

In relation to the targets for reducing carbon emissions, the Committee noted that as the energy was 100% green the Council targets for carbon

management would be met on day one of the contract and this was a major step towards the Council's zero carbon commitment for 2029.

RESOLVED: That the Leader be recommended to:

- 1. Award contracts for the supply of electricity and gas via the United Learning Trust Procurement Services framework via a mini-competition for a contract duration of 5 years.**
- 2. Award contracts for gas and electricity supplies for a fixed period of two years.**
- 3. Note that indicative costs are £2.6m per annum for gas and electricity supplies; the proposed costs for the contract term are within the Council's annual energy budget allocation.**
- 4. Agree that green energy be procured; the costs of green energy procurement are within the Council's annual energy budget allocation.**
- 5. Note that the actual prices can only be confirmed at the point of agreement and are variable on a daily basis due to the nature of the market and therefore authority be delegated to the Director of Housing, Planning and Regeneration to finalise the price point and select and contract suppliers based on the quote on the day at point of the agreement.**
- 6. Agree that the situation be reviewed in two years' time when the fixed term deal expires.**

53 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006, AND THE FREEDOM OF INFORMATION ACT 2000

RESOLVED that the Press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**The following summaries
refer to matters involving exempt information**

22 October 2020

**54 PRE-DECISION SCRUTINY: AUTHORISATION TO PROCEED
TO CONTRACT: ENERGY SERVICES**

The Committee noted the Part 2 (exempt from publication) information.

The Meeting ended at 7.06 pm

Chairman