

**TITLE OF REPORT: ENERGY SUPPLIES CONTRACTS**

**BUSINESS CASE**

Key Decision No FCR Q.99

<b>CPC MEETING DATE</b> 7th September 2020	<b>CLASSIFICATION:</b> Open with exempt appendices  <b>By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendices 1 &amp; 2 are exempt because they contain information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</b>
<b>WARD(S) AFFECTED</b> All Wards	
<b>CABINET MEMBER</b> Cllr Burke Energy, Waste, Transport and Public Realm	
<b>KEY DECISION</b> Yes <b>REASON</b> Spending or Savings	

**GROUP DIRECTOR**

**Ian Williams**

**Group Director Finance and Corporate Resources**

## **1. CABINET MEMBER'S INTRODUCTION**

- 1.1 The procurement of contracts for the supply of gas and electricity to Council offices, estates, schools and for street lighting is essential for the delivery of our services. For a number of years, Hackney Council has been working with other public sector organisations to procure its energy supplies contracts as part of the collaborative approach that seeks to use the aggregated demand of the purchasing group to leverage the supply market. This approach has been a success and it makes sense to continue to deploy it for the procurement of our energy contracts until the Council is able to fully explore all options that are available in the marketplace for the procurement of renewable energy products through Power Purchasing Agreements (PPAs)
- 1.2 Purchasing through consortium arrangements has made it possible to reduce price volatility and to buy energy as cost effectively as possible. The Council has also, through this methodology and contractual arrangement, been able to secure 100% of its electricity supply contracts from renewable sources (REGO certificated) for the 2020/21 contract year.
- 1.3 As previously stated, the natural next step from here on is the work that is currently being undertaken to explore the potential for a Power Purchase Agreement (PPA) . Doing so will provide greater transparency and certainty regarding the provenance of the Council's - and other bodies that procure energy jointly with the Council, such as local schools - electricity. Securing such an agreement - and exploring ways of reducing the global warming impact of our energy consumption - would demonstrate in a very visible way to the residents of Hackney that our corporate spending on renewables is contributing to the delivery of new sources of clean energy, rather than merely sending a signal to the market that more renewable energy is required, which is the role that the purchase of REGO certificates performs
- 1.4 In parallel to this green purchasing policy, we will continue to work to minimise energy consumption so far as is consistent with the effective delivery of services and line with the commitments made by the Council as part of its Climate Emergency declaration in 2019, and by doing so, reduce CO2 emissions and contain our energy costs. I commend the report to Cabinet Procurement Committee

## **2. GROUP DIRECTOR'S INTRODUCTION**

- 2.1 Flexible purchasing arrangements which secure prices for gas and electricity over a given period are widely used by other London Councils, Central Government departments and the NHS. Procuring the Council's energy supplies contracts through a Central Purchasing Organisation allows us to aggregate our demand with other public sector organisations and to obtain keener prices.
- 2.2 For the contract year 2021/22, there is the option to purchase within the period when the energy purchased is being used, however we have elected to purchase in advance as this gives stable prices over the contract year and assists with budgeting. This option will be used for this year and until the Council is able to purchase its energy contracts through the PPA route discussed in other parts of this report.

## **3. RECOMMENDATION(S)**

**Cabinet Procurement Committee is recommended to:**

**3.1 Note PBO A's costs and services has been compared against PBO B. PBO B is deemed as more cost effective and better aligned to the Council's current and future energy procurement ambitions.**

**3.2 Approve the appointment of PBO B to act on behalf of the London Borough of Hackney to secure all 12month's supplies contracts for Natural Gas, Non-Half Hourly electricity, Half Hourly and Unmetered electricity covering the period April 2021 to March 2022**

**3.3 Agree that the Group Director of Finance and Resources may exercise delegated authority to engage PBO B for provision of the service in (3.2) by means of three further annual contracts to commence in April 2022 for all supplies contracts for Gas, Non-Half Hourly electricity, Half Hourly and Unmetered electricity and subject to recommendation 3.5 below.**

**3.4 Note that retrospective Contract Award (CA) reports will be presented to Cabinet Procurement Committee by June of each year. The report will detail contract costs and for each year and will give the Committee opportunity to confirm it remains content for the Group Director of Finance and Corporate Resources to exercise the delegated authority sought by recommendation 3.3**

**3.5 Note that officers will continue to appraise the options for securing the Council's energy contract through PPA with energy generators and will present a Business Case report to the Committee once the PPA purchasing options are fully explored and officers are able to recommend an approach that best meets the needs of the Council.**

#### **4. RELATED DECISIONS**

Business Case Report presented to the Cabinet Procurement Committee in March 2016.

#### **5. OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)**

- 5.1.1 As part of essential commodities deployed in the delivery of Council services, the Council has an ongoing requirement to purchase gas and electricity. For over 10 years, the Council has engaged the services of a Public Buying Organisation (who buys on behalf of several public sector bodies) to procure its annual energy supplies contracts..
- 5.1.2 At its meeting in March 2016, Cabinet Procurement Committee agreed the appointment of Crown Commercial Service (CCS) to procure energy contracts for the year commencing October 2016 and also authorised the Group Director of Finance and Corporate Resources to engage this organisation to procure the energy supplies contracts for four subsequent years.
- 5.1.3 This delegated authority has been exercised since 2016 when PBO A were appointed to secure 12 months contracts prices for Gas, Non-Half Hourly (NHH), Half-Hourly (HH) and Unmetered (UMS) electricity supplies for the contract years .
- 5.1.4 As the delegated authority given to the Group Director of Finance and Corporate Resources expires this year and in the light of the Council's ongoing effort to source renewable energy supplies and secure its contracts through PPA with renewable energy generators, this Business Case report is written to provide Members with information on current developments in the energy market with regards to the purchasing options for the

Council and to also recommend the procurement approach that best meets the needs of the Council for the foreseeable future.

- 5.1.5 Within this report, it is recommended that until the Council is able to secure its energy contracts through PPA, we continue to procure the Council's energy supplies contracts using the locked prices purchasing in advance (PIA) methodology and appoint PBO B. The rationale for this recommendation is further discussed in other sections of this report.

## **5.2 Strategic Context:**

- 5.2.1 The Council requires gas and electricity for use in its buildings, offices and street lighting to provide efficient service to Council residents and customers. These are fundamental to its operations across all departments. The secure supply of energy commodities detailed in this report as part of the aggregate demand through the consortium arrangement supports the Best Value duty to promote efficiency not only in terms securing keener energy prices but also in terms of the procurement cost and resources deployed in sourcing the contracts.

## **5.3 Preferred Option:**

- 5.3.1 Until the Council is able to secure its energy contracts through PPAs with energy generators, the preferred option for the procurement of energy contracts for the supply of gas and electricity to Council offices, buildings and other facilities is to deploy the services of the recommended Public Buying Organisation to secure contracts prices using the risk managed flexible procurement Purchase in Advance (PIA) strategy. This option is recommended based on the analysis of options carried out and summarised in section 5.4 of this report

## **5.4 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

5.4.1 Most public sector organisations adopt the “aggregated, flexible and risk managed energy procurement”; these are typically known as Purchase in Advance/Locked (PIA) Strategy. There are other options such as Direct Tender and Procurement through a private sector third party intermediary (TPI) but these are discounted as they would not deliver the best value for the Authority.

5.4.2 The Purchase in Advance Strategy delivers contract price certainty prior to the start of the 12 months delivery period. There is also the option to Purchase within Period (PwP) meaning final prices will not be known before the contract starts. The features of this option include:

- Lack of cost certainty for budgeting purposes as final commodity prices will not be determined until the end of the year when the products are being bought and used simultaneously.
- Billing is based on a monthly reference price.
- A Variable Report will provide a forward price every month before bills are presented.

The characteristics of PwP described above and the associated administrative burden of reconciling actual spend against the budgets particularly for Housing and Schools accounts makes it less suitable for the Council.

5.4.3 The PIA is provided by Professional Buying Organisations (PBOs) under framework contracts. PBO's offer an OJEU compliant, flexible and risk managed approach to energy procurement. They employ staff who possess the relevant category expertise and energy trading skills to deliver effective price risk management and value

for money supply contracts consistently, over a period of time. The primary benefits of this approach are reliant upon being able to secure favorable T & Cs, better management of the wholesale element of the delivered energy bill; helping to manage the risk exposure to the energy market.

5.4.4 The two main Public Buying Organisations referenced in this report procure energy contracts on behalf of the majority of the public sector organisations.). Due to the flexible procurement strategies employed by both organisations, their large portfolio and longer-term supply periods, they are able to absorb variances in volumes and in doing so critically provide the flexibility for the customer to reduce its purchased consumption significantly.

5.4.6 These organisations have been assessed against their long term expertise, strategy to provide effective price risk management, value for money and framework set up for other value added services including green energy procurement. The green power element is particularly important to support the Authority's priority on renewable energy procurement. Whilst the Council currently buys REGO backed electricity, REGOs don't have an explicit link with the "green power" produced by renewable plants, which mean and there are questions on the extent to which REGO-backed renewable tariffs are supporting the deployment of additional renewable generation. For this purpose the Authority is exploring the deployment of Power Purchase Agreements for its electricity supply.

5.4.7 Whilst the two Public Buying Organisations (PBOs) provide similar service as a central purchasing body; their services differ in terms of scope, method of delivery, cost of service and choice of purchasing baskets for Gas, Half-hourly (HH), Non-Half-Hourly (NHH) and Unmetered (UMS) electricity supplies. The relative merits of both PBOs are discussed under the following headings:

- 5.4.7.1 **Purchase in Advance (PIA) Strategy:** Both PBOs have significant experience of procuring energy supply contracts for public sector organisations using this methodology. As detailed in 5.4.2, this method is preferred by the Council and its partners as it provides greater spend and budget certainty particularly for Housing. By using this method, a year's worth of gas and electricity is procured over the 6 months preceding the year of energy consumption.
- 5.4.7.2 **Green Energy Supply:** Both PBOs source REGO backed renewable power within their frameworks, PBO A at costs quoted between 0.05 to 0.08p/kWh and PBO B at ~0.08p/kWh for electricity and ~1p/kWh for gas. PBO B also provides a Biomethane Certification Scheme (BMC) for gas whilst PBO A does not have a framework for renewables gas certificates due to lack of availability and potential to increase overall gas budgets by up to 50%. Both parties provide sleeving/ Corporate PPA services. PBO A incorporates the ability to 'sleeve' PPA into energy supplies as a 'one off' activity and has a framework set up to support the procurement of specialist PPA. The flexibility offered by the PBO B Framework Agreement allows the Council to benefit from PPAs earlier than would otherwise be possible under a conventional two year contract - as it provides the potential to switch to a Power Purchase Agreement mid-way through the contract.
- 5.4.7.3 **Contract Term:** Both PBOs have an option to procure annual energy contracts.
- 5.4.7.4 **Pricing:** Independent benchmarking undertaken by Major Energy Users Council (MEUC)-an independent consumer organisation representing a large number of users in the public sector, industry and commerce, for 2018/19 period. show that

PBO B delivered an outturn price 4.5% below the MEUC members average for gas and 10.4% less for electricity.

5.4.7.5 **Management Fees:** The service cost (commission charges for services provided) for PBO B is lower than that of PBO A (Exempt Appendix 1). This cost is relatively small when compared to the total energy cost of the Council and it is normally accounted for as part of the overall fully delivered energy contract prices which also includes: raw commodity cost, energy supplier margin and regulated charges. The fully delivered energy prices achieved by PBO B were compared against industry benchmarks, provided by the Major Energy Users Council (MEUC), and PBO B has performed better. The summary is detailed in Exempt Appendix 2.

5.4.7.6 **Value Added Service:** Additional benefits such as Managed Service (bill validation and invoicing) and a net zero carbon solutions procurement framework that enables the Council to access a wider range of services such as the following: Renewables Energy, GPA and PPA, Demand Side Response, Battery Storage, Solar PVs, Electric Vehicles, Low Carbon heat sources such as Ground Source Heat Pumps, Air Source Heat Pumps etc) are available under Lot 2 Services at a cost.

5.4.8 Apart from the relative advantage of PBO B discussed above, the organisation also has a relatively large number of public sector organisations customers including local authorities, all of whom have indicated a satisfaction with its level of service.

5.4.9 The Framework agreement currently set up between 2020 to 2024, is set up for the different energy commodities, i.e gas and electricity and identified as Electricity-Lot 1 and Gas-Lot 1. Lot 2 covers the purchase of optional additional services such as renewable energy, AMR, data aggregation, data collection, demand side response, power purchase agreements, battery storage, electric vehicle facilities and energy services if required

5.4.10 Therefore, this report seeks approval for the award of a contract under Lot 1 of the new PBO B electricity Framework for flexible procurement and supply of half hourly, non-half hourly metered and unmetered supply of electricity with meter operations and additional services. The Council will seek to contract with the first place supplier under Electricity-Lot 1.

5.4.11 Concerning the gas supply and services, the Council is seeking permission to buy into Lot 1 of the PBO B gas supply and services framework for flexible procurement and supply of gas for daily metered and non-daily metered products including product class 1, 2, 3 and 4 with additional services. This Lot allows for the purchase of optional additional services such as green gas, AMR, gas purchase agreements, and energy services, if required. The Council will seek to contract with the first place supplier under Lot 1 of Gas Framework.

5.4.12 The Council's current gas supplier is appointed in the Lot 1 Framework and this should make the process of onboarding the Gas supplies seamless. The current Electricity suppliers will need to be changed. The transfer of the Electricity supplies will place an administrative burden, however, the Council will benefit from one supplier across its Electricity contract.

5.4.13 In order to participate in the consortium and framework buying arrangements referred to in this report; the Council is required to enter into an Access Agreement with PBO B. The Access Agreement will permit the Council to access those gas and electricity supplies and services referred to in this report. It also records those obligations that will underpin the Council and PBO B's relationship for the duration of the Call Off Contracts/Order.

**5.5 Success Criteria/Key Drivers/Indicators:** There are no specific government targets or statutory requirements that drive the procurement of energy supply contracts. The establishment of the contracts are however vital for the operation of Council buildings and assets as part of providing statutory required services to Council residents and customers

**5.6 Whole Life Costing/Budgets:**

5.6.1 The Council’s requirement for gas and electricity has existed for many years and annual budgets are established and maintained. Due to price volatility, provision has been made centrally to cover unexpected additional costs.

5.6.2 The Council’s preferred strategy for managing inflationary cost pressures is that these are managed, wherever possible, from within existing cash limits and thus the budget for energy is not given an annual inflation uplift. However, in recognition of the potential volatility in the energy markets, and due to the fact that in the short term at least, demand is broadly uncontrollable, the Council sets aside a reserve to meet unforeseen changes in demand or price.

**5.7 Policy Context:** The purchase of REGO certificated energy supplies contributes to the Council’s environmental policy and Sustainable Procurement Strategy.

**5.8 Consultation/Stakeholders:**

5.8.1 The Energy Management Unit works with Council departments, Housing and Schools to provide customer service support as part of the management of energy contracts to these client groups.

5.8.2 The Energy Management Unit provides an assessment of contract prices and predicted consumption to facilitate annual budget setting. With the April basket, final purchase is in March and prices not received until early May. These prices are then checked against wholesale rates, known changes in network and distribution costs and our site list before it is released to Council departments for budget setting.

**5.9 Risk Assessment/Management:**

Risk	Likelihood	Impact	Overall	Action to avoid or mitigate risk
	L – Low; M – Medium; H - High			
Energy suppliers appointed by PBO B fails to deliver	L	H	L	PBO B has existing framework agreements with multiple suppliers, together with SLA and monthly meetings to manage performance.
PBO B energy purchasers misread the market, raising the cost of energy for its clients.	L	M	L	The Risk Managed Flexible Purchasing model means that this would apply to a percentage of the Council’s total requirement. There is a quality assurance process in place to ensure that cost



				is in line or better than market price
PBO B might not be able to provide technical and contractual support that meets the Council's requirement.	L	L	L	The PBO is benchmarked by MEUC and has satisfactorily provided energy technical and contractual services for public sector organisations for over 15 years.
Client side organisation not able to manage this new purchasing process	L	L	L	PBO to provide monthly support to the energy officers and regular contact to be maintained between both parties

### 5.10 Market Testing (Lessons Learnt/Bench Marking):

5.10.1 The volatility of the energy market has necessitated the Council's continuation with the flexible purchasing method which is also being used by the majority of other public sector organisations. This strategy helps to manage the risks involved in buying energy on volatile commodity markets.. PBO B is also a member of the MEUC (Major Energy Users Council), who independently benchmark them against other large energy purchasers (members).

## 6. SUSTAINABILITY ISSUES

### 6.1 Procuring Green

The use of gas and electricity generates carbon emissions.. Steps are taken at national level to reduce the emissions of grid electricity as the balance of generation is shifted from coal and oil generation to gas, renewable and nuclear sources. At a local level the Council is taking actions to reduce energy usage and carbon emissions from the Council's operations as part of its Energy Strategy, the Council is committed to net zero emissions by 2040. Progress towards the actions will be reported as part of the annual Contract Award reports

### 6.2 Procuring for a Better Society

The Council recognises that procurement of energy is a significant spend and seeks to ensure best value contracts. Our purchase of renewable energy also contributes to job creation in the green energy sector and ensures we are reducing our carbon footprint.

### 6.3 Procuring Fair Delivery

A number of social value clauses are included as part of the buying specification. These enhanced social value requirements include Apprenticeships, school programmes with access to environmental learning, promotion of electric vehicle schemes, skills and training opportunities, careers fair, free training material and self-development to support people with their employment moves or entry and community support .

### 6.4 Equality Impact Assessment and Equality Issues

There are no specific equalities issues in these procurements but a failure to procure would have an adverse effect on services. Failure of supply would mean no

heating, no lighting, lifts, or water supplies to high rise buildings which would affect offices, libraries, and schools and Council homes and this would impact most heavily on the most vulnerable members of our community.

**7. PROPOSED PROCUREMENT ARRANGEMENTS**

**7.1 Procurement Route and EU Implications:** An essential part of the specification of requirements and assessments for the Energy Service Providers is that they are expected to procure full EU public procurement regulation compliant contracts. The Council’s energy requirements will be procured from energy suppliers that are procured under PBO B’s Framework Agreements which are compliant with the requirements of the EU Public Contracts regulations.

**7.2 Resources, Project Management and Key Milestones:** The existing resources in the Energy Management Unit will undertake this procurement through PBO B and manage the relationship with the energy suppliers. The recommended central purchasing body and/or the energy suppliers will provide contract price predictions as the flexible purchases are made ahead of the commencement of new contracts.

**7.3 Contract Documents: Anticipated contract type**  
There will be a number of contracts in the arrangements proposed in this report: one is between the Council and the PBO B; and there will also be contracts between the PBO and the energy suppliers just as there will be contracts between the PBO’s contracted suppliers for gas and electricity and the Council

**7.4 Sub-division of contracts into Lots**  
Not Applicable

**7.5 Contract Management:** The energy suppliers will provide a single account manager who will deal directly with the Council’s Energy Account Manager, a proposed resource within EMU to fulfil the client role.

**7.6 Key Performance Indicators:**

Category	KPI	Monitoring
Failed Registrations	Failed Registrations including Notice of Objections and Rejections to be notified to the Customer within fourteen (14) Working Days of receipt.	LBH to hold record of nominations with proposal dates. Supplier to provide all details of objections and rejections to time scale. Record to be maintained by LBH
	Weekly report of any failed Registrations to be sent to the Authority on the third (3rd) Working Day of each week.	Supplier to provide emailed spreadsheet, email subject field should contain WEEKLY FAILED REGISTRATIONS, in capital letters to energy@hackney.gov.uk Record to be maintained by LBH
New Sites – Pricing	Interim prices to be provided to the relevant Customer and the Authority within three (3) Working Days for a single Site	Supplier to provide emailed spreadsheet, email subject field should contain INTERIM PRICES, in capital letters to energy@hackney.gov.uk.

	and within seven (7) Working Days for group Sites.	LBH to hold record of nominations with proposal dates. Supplier to provide prices to timetable
Customer Contracts	<p>Electricity Products Customer Contracts to be populated with individual Customer details and Metering Point Information, and issued to Existing Customers prior to the First Supply Start Date.</p> <p>Electricity Products Customer Contracts to be populated with individual Customer details and Metering Point Information, and issued to New Customers prior to the Earliest Supply Start Date for such New Customer.</p>	<p>Supplier to provide emailed spreadsheet, email subject field should contain CONTRACT SITES, in capital letters to energy@hackney.gov.uk</p> <p>Compliance monitored by LBH.</p>
Customer Queries	Responses to Customer Queries by telephone or email to be given within five (5) Working Days. If it cannot be resolved within five (5) Working Days, a “holding” response giving the reason why resolution is not possible and a date when full resolution is expected must be provided	<p>Log of queries raised, held by LBH. Compliance monitored by LBH.</p> <p>Supplier to provide emailed response, email subject field should contain QUERY RESPONSE, in capital letters to energy@hackney.gov.uk.</p>
Customer Complaints	Customer Complaints to be given priority treatment and acknowledged by the Supplier to the Customer within one (1) Working Day of receipt. An estimated timescale for resolution must accompany the acknowledgment	<p>Log of complaints raised, held by LBH. Compliance monitored by LBH.</p> <p>Supplier to provide emailed response, email subject field should contain COMPLAINT RESPONSE, in capital letters to energy@hackney.gov.uk.</p>
	Customer Complaints to be logged and reported to the Authority within one (1) Working Day of receipt.	Log of complaints raised, held by LBH. Compliance monitored by LBH.
	The Supplier to send a progress report to the Authority and the Customer each	Log of complaints raised, held by LBH. Compliance monitored by LBH.

	<p>Working Day the complaint remains open/unresolved.</p> <p>Where resolution of the Complaint is not achieved within the estimated timescale, or the estimated timescale is not acceptable to the Authority or the Customer, escalation procedures shall be invoked.</p>	<p>Supplier to provide emailed response, email subject field should contain COMPLAINT RESPONSE, in capital letters to energy@hackney.gov.uk.</p>
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## **8. COMMENTS OF THE GROUP DIRECTOR FINANCE AND CORPORATE RESOURCES**

- 8.1 This procurement is expected to cost the Council £80,580 per annum for services delivered by PBO B at current prices and current meter numbers. For comparison, the Council's current PBO cost is £100,438 per annum. Awarding to PBO B would realise a saving of £20k per annum for the Council.
- 8.2 There is currently no budget in place for costs associated with the use of a PBO within the Energy Management Unit, as such the cost of the PBO will be subsumed into the electricity/gas charges that are posted to individual cost centres.
- 8.3 It is noted that the intention is to award a 12 month contract, with a maximum of three additional 12 month periods that can be added. It is reasonable to assume that at least inflationary increases will need to be applied to the initial £80k in each of the subsequent years
- 8.4 The decision to appoint PBO B allows for Council energy strategy to change to only include suppliers who hold BMC certificates for gas supply. In the event of this happening, the potential increase in cost to the Council for gas is a maximum of c£1m per annum
- 8.5 Excess purchase of gas/electricity will remain as a sunk cost, putting the onus strongly on EMU/PBO B to accurately assess likely energy consumption and buy accordingly. No rebate is expected on excess purchase.

## **9. VAT Implications on Land & Property Transactions**

Not Applicable

## **10. COMMENTS OF THE ACTING DIRECTOR OF LEGAL & GOVERNANCE**

- 10.1 The procurement process in this Report has been assessed as High Risk and therefore pursuant to paragraph 2.7.10 of Contract Standing Orders the approval to progress to market will be with Cabinet Procurement Committee.]
- 10.2 The value of the goods in this Report is above the current threshold of £189,330 under Regulation 5 of the Public Contracts Regulations 2015. Therefore it would ordinarily be necessary to publish an OJEU notice in respect of the supply of such goods. However it is intended that the supplies of gas and electricity in this Report will be called-off from Public Buying Organisation B's compliant framework agreement. Regulation 37 of the Public Contracts Regulations 2015 permits a contracting authority to purchase goods through a central purchasing body.

10.3 As the award of the three further annual supply contracts, to commence in April 2022, will need to be made at short notice it is proposed for them to be awarded under delegated powers by the Group Director of Finance and Corporate Resources. Paragraph 2.2 ii) of the Executive Procedure Rules states that “If the Elected Mayor delegates functions to a committee of the Executive, unless s/he directs otherwise, the committee may delegate further to an officer”. Cabinet Procurement Committee, as a committee of the Executive is therefore permitted to delegate to an officer the decision to agree the award of the contracts. A retrospective Contract Award Report will be presented to the Cabinet Procurement Committee in June each year setting out details of the energy supply contracts entered into by the Council in due course.

## 11. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

11.1 This business case is supported from a procurement perspective. This award is made compliantly and within LBH CSO provisions and EU regulations. The recommendation to appoint PBO B to act on behalf of the London Borough of Hackney to secure all 12month’s supplies contracts for Natural Gas, Non-Half Hourly electricity, Half Hourly and Unmetered electricity covering the period April 2021 to March 2022 is supported.

## EXEMPT

Appendix 1 – PBO’s service cost comparison.

Appendix 2 – Summary of fully delivered contract price analysis

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information

## BACKGROUND PAPERS

None

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