

**REPORT TO:** Executive Board

**DATE:** 19 March 2020

**REPORTING OFFICER:** Strategic Director, Enterprise Community & Resources

**PORTFOLIO:** Resources

**SUBJECT:** Gas Supply Contract

**WARDS:** Boroughwide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 The report is to notify Members that the Operational Director, Economy, Enterprise & Property has approved the award of the corporate gas supply contract to Total Gas & Power Ltd (TGP).

## **2.0 RECOMMENDED: That the report be noted.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 The Council currently purchases its energy supplies via Crown Commercial Services (CCS), who are an executive agency sponsored by the Cabinet Office. They are the biggest provider of public sector frameworks, and thus can provide excellent value for money due to their bulk buying power.
- 3.2 Corona are the current provider of our gas supplies via the CCS framework, their contract commenced in April 2016 and expires on 30<sup>th</sup> March 2020. CCS have been through a tender process over the past few months, the result being that TGP have been appointed as their new provider, the new contract commences on April 1<sup>st</sup> 2020 and runs until 1<sup>st</sup> October 2023.
- 3.3 The estimated annual spend on gas covering corporate sites, together with the schools and academies, which purchase their gas via the contract, amounts to circa £700k per annum, thus making the total spend over the lifetime of the contract circa £2.45m.

## **4.0 POLICY IMPLICATIONS**

- 4.1 The above course of action complies with the Council's procurement strategy in respect of obtaining best value for money and ensuring that the procurement process is as efficient as possible.

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 Purchasing energy via Crown Commercial Services ensures that the Council obtains good value for money due to their bulk buying power.
- 5.2 Schools and academies who purchase their gas supply via this gas supply contract pay direct and have the necessary funds in place to cover same. In respect of corporate buildings, the budget is in place to cover the cost of the Council's gas requirements.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **6.1 Children and Young People in Halton**

None

### **6.2 Employment, Learning and Skills in Halton**

None

### **6.3 A Healthy Halton**

None

### **6.4 A Safer Halton**

None

### **6.5 Halton's Urban Renewal**

None

## **7.0 RISK ANALYSIS**

- 7.1 The risk of not following the above course of action is that we would need to instigate an alternative procurement process which would inevitably lead to a delay in having a gas supply contract in place. The impact of that would be that the Council would potentially revert to default rates for the current gas supply which could clearly have a significant financial impact.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

None.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None under the meaning of the Act.