

<b>Subject:</b>	Procurement of Energy contract via framework	<b>Status:</b>	For Publication
<b>Report to:</b>	Council	<b>Date:</b>	16 <sup>th</sup> July 2025
<b>Report of:</b>	Facilities and Safety Manager	<b>Lead Member:</b>	Environment and Corporate Services
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment:</b>	Required:	No	Attached: No
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## 1. RECOMMENDATIONS

- 1.1 That Council authorises the procurement of Gas and Electricity fixing for a 2-year period via a suitable framework.
- 1.2 That Council delegates the acceptance of framework pricing to the Director of Resources in conjunction with the Monitoring Officer and Lead Members for Resources and Environment, and Corporate Services.

## 2. EXECUTIVE SUMMARY

- 2.1 The current contracts for Electricity and Gas expire on the 30th September (Electric) and 30th November (Gas). Rossendale Leisure Trust have opted not to partner with Rossendale Borough Council for future energy procurement, which has significantly reduced the value of the contracts.
- 2.2 The effect of this will see a significant reduction in the value of the gas procurement, a reduction of 64%. Electricity will be reduced by 21%. These will not affect the revenue budget for the Council as the costs for gas and electricity are currently recharged to the Trust.
- 2.3 Indicative prices suggest that the annual cost will be in the region of £300,000. This will be tested as part of the framework buying activity.

## 3. BACKGROUND

- 3.1 To date, the council has used the services of an energy broker to secure the contracts for gas and electricity based on best value principles in place at the time.
- 3.2 Of the two frameworks officers have benchmarked, there are variations as to how the services are delivered, with one requiring an additional level of software to allow bill validation. When prices are confirmed the decision will be based on best value incorporating the need for additional software.
- 3.3 Given the decision of the Leisure Trust (excluding The Whitaker) to procure its gas and electricity supplies. This will lead to a significant drop in the value of the utilities procured by the council, but this will not impact on the Council revenue budget as all costs relating to the Trust are recharged. There may be some cash flow implications for the Trust Board to consider.

## 4. DETAILS

### 4.1 Zenergi Framework Considerations

Zenergi, acting as the Framework Administrator for the South West Essex Community Education Trust framework, offers a comprehensive energy management service. Their offering includes fixed contract procurement to provide budget certainty, a bill validation service to ensure accuracy and identify savings, and access to a dedicated customer portal for real-time energy data and reporting. Additionally, Zenergi supports metering strategy and compliance, and provides guidance on Net Zero planning and carbon reduction initiatives.

### 4.2 YPO Framework Considerations

The YPO framework offers full compliance with the Procurement Act 2023.

- Social value contributions through reinvestment in public services.
- Transparent fixed-rate pricing for the first six months, followed by a variable rate model that mitigates exposure to market volatility.
- Access to potential funding opportunities for schools.
- Dedicated support and aggregated purchasing power to secure competitive rates.

### 4.3 However, there is no bill validation included in the YPO offer so this would need to be procured separately.

#### Bill Validation Software

There is proposed bill validation software, Systems Link, which would cost in the region of £9k per annum. This system will support accurate invoice checking, usage monitoring, and reporting, reducing administrative burden and improving data accuracy. It can also link into the Council's accounting system for uploading invoices for accounting and payment. This would save significant time currently invested in bill checking by the Finance and Facilities departments.

## 5. RISK

- 5.1 Roll over the current contract. This would incur additional costs as deemed rates are likely to be 35% higher
- 5.2 Run tender across energy providers. Will take additional time and resource of officers and may not be complete by the expiry of the current contract leading to additional costs.

## 6. FINANCE

- 6.1 The costs of gas and electricity are in the Council's revenue budget any significant increase in charges would lead to a pressure. Fixing for 2 years leads to a level of certainty to allow mitigation and planning for any such pressure.

## 7. LEGAL

- 7.1 The procurement of energy contracts from established and available frameworks is in full compliance with the Council's constitution and the Procurement Act 2023. Subsequent contracts will be signed once pricing have been validated.

## 8. POLICY AND EQUALITIES IMPLICATIONS

8.1 There are no policy or equalities implications.

## **9. REASON FOR DECISION**

9.1 To obtain best value for gas and electricity supplies and to minimise the risk of price fluctuation in the current volatile economy.

No background papers