

Saxilby with Ingleby Parish Council

Non-confidential

To ratify the council's energy renewal for 2027 onwards and update the standing orders to reflect current practice for the council's utilities renewal process

Report to: Full Council

Report by: Clerk

Power/duty which decision falls under:

Public Health Act 1936, s.87; Local Government (Miscellaneous Provisions) Act 1976, s.19; Local Government Act 1972, ss.111, 133 and 142.

Which council objective(s) it falls under:

- Maintain and improve community facilities and amenities
- Retain and encourage employment and tourism opportunities
- Improve the well-being of residents
- To recognise the climate and biodiversity emergency and it should be considered as the basis of all decision and policy making

SUMMARY:

The council's energy contracts (gas and electricity) have been agreed following a competitive procurement exercise undertaken by an energy broker, with multiple quotes obtained. It is proposed that Full Council ratify the electricity and gas contracts with Smartest Energy and Corona Energy, which secure stable pricing over the medium to long term.

The combined effect of the agreed contracts results in a small projected overall annual increase across all sites of 0.46% (£57). This is considered negligible and maintains broadly stable energy costs over the contract period.

RECOMMENDATION(S):

1. Ratify the proposed electricity and gas contract to retain comparable energy costs.

Electricity	Gas
Supplier: Smartest Energy Product: SmartFIX – 3 Year Renewable Supply Start Date: 01/04/2027 Supply End Date: 31/03/2030	Supplier: Corona Energy Product: SME Fixed 2 Supply Start Date: 01/04/2027 Supply End Date: 31/03/2032
Sites: Mill Lane, Saxilby Waterfront Public Toilets, and St Andrews Community Centre	Site: St Andrews Community Centre

Recommendation					
Site	Option	Supplier	Standing Charge (pence per day)	Day Unit Rate (pence per kWh)	Night Unit Rate (pence per kWh)
Sports Club	36m	Smartest	121.4600	27.2700	20.4000
Public Toilets	36m	Smartest	52.5100	25.7100	
Playing Field	36m	Smartest	62.6800	27.7700	20.7700
Gas 1	60m	Corona Energy	180.0000	6.80000	
Gas 2	60m	Corona Energy	180.0000	6.80000	

Current Price Plans					
Site	Option	Supplier	Standing Charge (pence per day)	Day Unit Rate (pence per kWh)	Night Unit Rate (pence per kWh)
Sports Club	Current	Engie	494.0000	21.8900	16.1900
Public Toilets	Current	Engie	57.0000	27.6300	
Playing Field	Current	Engie	97.0000	34.8000	23.4000
Gas 1	Current	Engie	54.9600	7.4500	
Gas 2	Current	Engie	44.8600	7.4500	

- Update the Standing Orders to reflect current council practice for utilities renewals where contract renewals are delegated to the clerk based on council objectives, priorities, and best value, and a minimum of three quotes are obtained and then reported for council to note the renewal.

Public Sector Equality Duty

Consider how policies/decisions affect those protected under the Equality Act)

Due regard has been given to the Public Sector Equality Duty under the Equality Act 2010. The decision is operational in nature and relates to the procurement of utility services for council facilities. No adverse impacts have been identified in relation to individuals with protected characteristics. The arrangements ensure continued access to essential public services, including facilities such as public conveniences and changing rooms, in a consistent and equitable manner.

Duty to conserve and enhance biodiversity

The renewal of energy contracts does not involve any physical works or changes to land use and therefore has no direct impact on biodiversity. The electricity supply is sourced from a 100% renewable tariff, which supports wider environmental objectives and contributes positively to reducing indirect environmental impacts associated with council operations.

Consideration on carbon reduction:

The procurement of energy contracts supports the council's carbon reduction objectives. The electricity supply is sourced from a 100% renewable tariff, significantly reducing associated carbon emissions from council electricity consumption. The securing of medium-term contracts also provides cost certainty while supporting continued alignment with sustainability and net-zero aspirations.

The next step would be to explore opportunities for on-site energy generation, such as the installation of solar panels, to further reduce reliance on externally supplied energy and to support reductions in overall gas and grid energy consumption. This would contribute to the council's longer-term carbon reduction and sustainability objectives.

Impact on staff

The renewal of energy contracts is not expected to have any adverse impact on staff. The use of a longer-term contract provides continuity of services within council buildings, including heating, lighting, and welfare facilities. In addition, securing a longer-term arrangement reduces the administrative burden associated with frequent contract renewals and procurement exercises, thereby releasing officer time for other operational and strategic priorities.

Does the report consider any new activity? If 'Yes', has a risk assessment, including risk management proposals, been included for consideration and adoption by the council?

(Financial Regulation 17b)

No.

REPORT

Introduction

The council's energy contracts are now in the window to renew. Quotes have been obtained for long-term contracts from at least three suppliers for gas and electric across all sites.

It is preferable to undertake this process during the summer period when market conditions may be more favourable and demand pressures are typically lower.

As quotes do not remain valid for enough time to take to council for approval it is usual practice for the clerk to obtain quotes and agree renewals based on the needs of the council and best value.

Background

Long-term contracts have benefits for the council. Fully fixed price plans provide council certainty in cost management, budget setting, and risk reduction (particularly with volatile energy climate):

- **Budget Forecasting:** Entering into new energy contracts at this stage would enable the establishment of a more predictable energy budget over the coming years. This would support improved financial planning and reduce the risk of unforeseen increases in energy costs.
- **Price Protection:** The energy market remains subject to fluctuations in pricing. Securing contracts at the current time would provide protection against potential future price increases and offer greater certainty over energy expenditure during the contract period.
- **Stable Energy Supply:** Maintaining a medium-term energy contract would support a stable and reliable energy supply for operational requirements. This stability assists with business continuity and reduces the risk of disruption arising from market volatility and changing energy prices.
- **Administrative and council burden:** Securing a longer-term arrangement reduces the administrative burden associated with frequent contract renewals and procurement exercises, thereby releasing officer and council time for other operational and strategic priorities respectively.

Costs:



Electricity and Gas Renewal & Budget Summary - Apr27 to Mar30/32

Client Details		Recommended Supplier Summary	
Business Name	Saxilby with Ingleby Parish Council	Supplier	Smartest & Corona Energy ✓
Company Number	UI13677716	Product	Smat Fix & SME Fixed 2 ✓
Registered Address	St. Andrews Centre, William Street, Saxilby, Lincoln, LN1 2LP	Product Type	Fixed ✓
		Ofgem's Targeted Charging Review	Included ✓
Payment Terms	Monthly Direct Debit - 10 Days	Consumption Threshold	None ✓
		Energy Type	100% Renewable ✓
		Supply Start Date	01/04/2027 ✓
		Supply End Date	31/03/2030 (Elec) 31/03/2032 (Gas) ✓

Recommendation										
Site	Option	Supplier	Standing Charge (pence per day)	Day Unit Rate (pence per kWh)	Night Unit Rate (pence per kWh)	Off Peak Unit Rate (pence per kWh)	Estimated Annual Cost (£)	Estimated Monthly Cost (£)	Difference (£)	Difference (%)
Sports Club	36m	Smartest	121.4600	27.2700	20.4000		£5,491.75	£457.65	-£356.56	-6.10%
Public Toilets	36m	Smartest	52.5100	25.7100			£322.27	£26.86	-£26.14	-7.50%
Playing Field	36m	Smartest	62.6800	27.7700	20.7700	23.1800	£2,224.99	£185.42	-£229.71	-9.36%
Gas 1	60m	Corona Energy	180.0000	6.80000			£2,151.37	£179.28	£313.55	17.06%
Gas 2	60m	Corona Energy	180.0000	6.80000			£2,095.95	£174.66	£355.71	20.44%
							£12,286.33	£1,023.86	£56.85	0.46%

Current Price Plans										
Site	Option	Supplier	Standing Charge (pence per day)	Day Unit Rate (pence per kWh)	Night Unit Rate (pence per kWh)	Off Peak Unit Rate (pence per kWh)	Estimated Annual Cost (£)	Estimated Monthly Cost (£)	Difference (£)	Difference (%)
Sports Club	Current	Engie	494.0000	21.8900	16.1900		£5,848.31	£487.36		
Public Toilets	Current	Engie	57.0000	27.6300			£348.41	£29.03		
Playing Field	Current	Engie	97.0000	34.8000	23.4000		£2,454.70	£204.56		
Gas 1	Current	Engie	54.9600	7.4500			£1,837.82	£153.15		
Gas 2	Current	Engie	44.8600	7.4500			£1,740.23	£145.02		
							£12,229.48	£1,019.12		

Slightly shorter contracts have been set up for electricity as energy costs could be reduced by installing solar. As this is being explored for the Community Centre and Mill Lane a slightly shorter electricity contract allows council to review if the council's energy provision changes.

The following contracts, have a small projected overall annual increase for gas and electricity over all sites in council operation of a negligible amount of 0.46% (£57).

This means the council's energy costs will continue to remain stable over the next administrative period.

<p>Electricity Supplier: Smartest Energy Product: SmartFIX – 3 Year Renewable Supply Start Date: 01/04/2027 Supply End Date: 31/03/2030</p> <p>Sites: Mill Lane, Saxilby Waterfront Public Toilets, and St Andrews Community Centre</p>	<p>Gas Supplier: Corona Energy Product: SME Fixed 2 Supply Start Date: 01/04/2027 Supply End Date: 31/03/2032</p> <p>Site: St Andrews Community Centre</p>
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