

To Hythe Town Council
Date 20 November 2019
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **UTILITY SUPPLIER REVIEW REPORT F&GP/17/19**

SUMMARY: This report provides an update on the renewal dates, usage and proposed new contracts for Hythe Town Councils energy providers.

REASON FOR RECOMMENDATION:

The Committee is asked to agree the recommendations set out below because:-

- a) The Council is committed to control and manage its financial affairs in accordance with The National Association of Local Councils (NALC) guidelines.

RECOMMENDATIONS:

1. To receive and note the report F&GP/17/19
2. To note the current costs and renewal dates for each contract.
3. To recommend that the RFO liaises with the Chairman of F&GP and is instructed to change from the current energy suppliers as each contract expires to an efficient low cost energy supplier.

INTRODUCTION

The current providers for energy are British Gas and EDF Energy.

The gas supply is supplied by British Gas and the tariffs are listed below:

British Gas (Appendix 1)

Oaklands; due for renewal on 29 November 2019.

The account energy use over the past twelve months has been 56368.77 kWh.

Costing £2363.39 net of vat.

The current unit charge is 3.170p and the current standing charge is 170.700p per day.

A discount of 7% is received for paying by direct debit and 2% for online billing.

Boiler service is included.

South Rd; due for renewal on 25 March 2020.

The account energy use over the past twelve months has been 43138.95 kWh.

Costing £1760.80 net of vat.

The current unit charge is 3.380p and the current standing charge is 100.420p per day.

A discount of 7% is received for paying by direct debit and 2% for online billing.

Boiler service is included.

The Contract due for renewal is;

Oaklands fixed rate energy plan is due for renewal on 29 November therefore quotes have been obtained as set out below.

Quote 1

British Gas has supplied a quote for a number of fixed term options upto 3 years;

Direct Debit Details are required to set a contract up which will result in us receiving a 7% direct debit discount off the prices (I have included the Direct Debit Equivalent below).

Contract Duration	Standing Charge / (DD Equivalent)	Unit Rate / (DD Equivalent)
1	0p/per day (0p/per day)	3.487p/per kwh *(3.242p/per kwh)
2	0p/per day (0p/per day)	3.608p/per kwh (3.355p/per kwh)
3	0p/per day (0p/per day)	3.629p/per kwh (3.374p/per kwh)

*Compared to the current unit charge of 3.170p this would be an increase of 0.072 per kwh.

Quote 2 (Appendix 2)

Bulb for Business has supplied a quote for a number of fixed term options for the year;

- Gas unit rate: 3.296 pence per kWh. Compared to the current unit charge of 3.170p this would be an increase of 0.126 per kwh.
- Gas standing charge: 27.397 pence per day
- Gas assumed annual consumption: 56,368 kWh
- Gas Climate Change Levy: 0.339p per kWh

The electricity supply is supplied by EDF and the tariffs are listed below:

EDF usage (Appendix 3)

Contract was renewed on 22 May 2018 to start 1 July 2018.
Notice to prevent auto renewal can be given on 31 May 2021.

Hythe Town Council will be free to change the tariff after the price review date 31 May 2021.

Oaklands – Municipal Offices; Fixed for Business 83 due for renewal on 30 June 2021. Standing charge £0.25p per day; unit price £0.1397p per unit

South Rd; Fixed for Business 83 due for renewal on 30 June 2021. Standing charge £0.25p per day; unit price £0.1397p per unit

Town Hall; Fixed for Business 83 due for renewal on 30 June 2021. Standing charge £0.25p per day; unit price £0.1510p per unit. Night off peak £0.10.08p per unit.

Garden Store; Fixed for Business 83 due for renewal on 30 June 2021. Standing charge £0.25p per day; unit price £0.1397p per unit.

Skate Park; Fixed for Business 83 due for renewal on 30 June 2021. Standing charge £0.25p per day; unit price £0.1397p per unit

SUMMARY

Oaklands Renewal

By switching from British Gas and EDF to BULB for Business the Council will be utilising green energy and using renewable sources.

British gas usage will increase from £1786.89 pa to £1827.47pa. An increase of £40.58.

Bulb gas usage will increase from £1786.89pa to £1857.91 pa. An increase of £71.02.

Although there will be a slight difference between the suppliers of £30.44 the savings will come from the daily standing charges which British Gas are currently £623.05 and Bulb will calculate at £99.99. A saving of £523 pa.

Please note the calculations above are based on rates quoted on 18 Nov 2019. These rates are subject to change.

CONTACT OFFICER

If you have any queries about this report please contact The Responsible Financial Officer of the Council

Tel: 01303 266152 or email RFO@hythe-tc.gov.uk prior to the meeting.