

To: City Executive Board

Date: 11 February 2016

Report of: Finance Panel (Panel of the Scrutiny Committee)

Title of Report: Energy and Water Supply Procurement 2016 - 2020

Summary and Recommendations

Purpose of report: To present recommendations of the Finance Panel on the Energy and Water Supply Procurement 2016 - 2020 decision

Scrutiny Lead Member: Councillor Craig Simmons

Executive lead members: Councillor John Tanner, Board Member for Cleaner Greener Oxford

Recommendation of the Finance Panel to the City Executive Board:

That the City Executive Board states whether it agrees or disagrees with the two recommendations set out in the body of this report.

Introduction

1. The Finance Panel pre-scrutinised the Energy and Water Supply Procurement 2016 – 2020 decision at its public meeting on 28 January 2016. The Panel would like to thank Jo Colwell and Paul Spencer for introducing the report and answering questions.

Summary of the discussion

2. The Panel heard that the Council spends £1.62m per year on utilities of which 60% is spent on electricity. Procuring electricity using a Public Buying Organisation (LASER) was considered to be best practice and had been a successful approach as it had enabled the Council to benefit from the agent's buying power and enabled the Council to better manage risk. The Panel supported the proposed continuation of this approach and welcomed the reduction in LASER costs to around £17k per year, saving the Council around

£11k in procurement charges, as well as the increased flexibility provided in terms of purchasing options.

3. The Panel heard that renewable energy was available through LASER at an additional cost (of up to £45k per year) but this energy was not fully traceable and there would be no guarantee of 100% availability. It was proposed that the Lead Member would determine the proportion of renewable energy purchased under the contract each year in consultation with officers. The Panel suggest that these decisions should be based on an evaluation of the costs and benefits of additional spend on renewable energy against the costs and benefits of investing in other energy efficiency and renewable energy projects.

Recommendation 1 – That annual decisions on the proportion of renewable energy purchased through the LASER Public Buying Organisation should be informed by evaluations of the costs and benefits of this spend compared to other potential carbon reduction projects.

4. The Panel noted that the Council’s internal Carbon and Natural Resources Board has a role in overseeing carbon reduction projects. The Board is not formally constituted and its membership includes both members and officers. The Panel suggest that it would be helpful if the notes or action points of Carbon and Natural Resources Board meetings could be made available to all elected members.

Recommendation 2 – That notes or action points of meetings of the Council’s Carbon and Natural Resources Board should be made available to all elected Members.

Name and contact details of author:-

Andrew Brown on behalf of the Finance Panel
Scrutiny Officer
Law and Governance
Tel: 01865 252230 e-mail: abrown2@oxford.gov.uk

List of background papers: None
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