

## Slough Borough Council

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| <b>Report To:</b>                   | <b>Cabinet</b>   |
| <b>Date:</b>                        | 15 <sup>th</sup> September 2025  |
| <b>Subject:</b>                     | Future Energy Contracts Strategy                                       |
| <b>Lead Member:</b>                 | Cllr Wal Chahal, Lead Member for Finance, Assets and Transformation    |
| <b>Chief Officer:</b>               | Pat Hayes, Executive Director of Regeneration, Housing and Environment |
| <b>Contact Officer:</b>             | Peter Hopkins, Director of Property and Assets                         |
| <b>Ward(s):</b>                     | All  |
| <b>Key Decision:</b>                | YES  |
| <b>Exempt:</b>                      | NO   |
| <b>Decision Subject To Call In:</b> | YES  |
| <b>Appendices:</b>                  | Appendix A – List of building and Assets                               |

### 1. Summary and Recommendations

1.1 This report sets out the strategic direction for the purchasing of the Council's Gas and Electricity contracts, to drive better transparency and give long term sustainability in the purchasing strategy.

#### Recommendations:

Cabinet is recommended to:

- a) Approve the signing of the Crown Commercial Service (CCS) Customer Access Agreement to enable the Council's access to the CCS Energy Frameworks, the current version being Energy Framework 2 (RM6251).
- b) Approve the direct award of a contract under CCS Framework RM6251 to EDF Energy Limited for the supply of electricity, covering the period 1 April 2026 to 20 March 2027.
- c) Approve the direct award of a contract under CCS Framework RM6251 to TotalEnergies Gas & Power Limited for the supply of gas, covering the period 1 April 2026 to 20 March 2027.
- d) Approve the delegation of authority to the Executive Director of Regeneration, Housing and Environment in consultation with the lead member for Assets, Finance and Transformation and S151 Officer to sign any future direct awards under future CCS Frameworks for electricity and gas supply contracts beyond 20 March 2027.

## **Reason:**

In line with best practice for public sector authorities, to ensure greater transparency, to reduce the risk and effects of volatility in the Energy Markets, the Council can deliver greater efficiencies through a long term energy strategy that has significant buying power in the market place, whilst reducing the peaks of high energy costs by buying energy at dips in the market over a longer period.

## **Commissioner Review**

This report is outside the scope for pre-publication commissioner review; please check the [Commissioners' instruction 5 to CLT to sign off papers](#) for further details.

## **2. Report**

### **2.1 Introductory paragraph**

2.1.1 The purpose of this report is to present the Council's options for procuring its electricity and gas supplies beyond the current contract with Equity Energies, which expires in March 2026. Energy procurement is a significant area of expenditure and a critical operational requirement for the Council, with annual costs exceeding £3.4 million.

2.1.2 Given recent market volatility, the Council faces a substantial financial risk if energy is not procured through a compliant, strategic, and risk-managed approach. UK Government guidance, issued under the Pan-Government Energy Project, recommends that public sector organisations adopt aggregated, flexible procurement frameworks to minimise exposure to price spikes and deliver long-term value for money.

2.1.3 This report evaluates three options:

1. Taking no action and allowing existing arrangements to lapse.
2. Continuing to procure energy via Third-Party Intermediaries (TPIs).
3. Procuring energy through the Crown Commercial Service (CCS) Framework RM6251, using the Variable V30 strategy.

2.1.4 The analysis considers financial implications, market risk, compliance requirements, and alignment with government best practice. A recommendation is then made based on these findings.

### **2.2 Options considered**

#### **2.2.1 Option 1 – Do nothing**

2.2.1.1 If the Council does not do anything, Equity Energies (the Council's current TPI) would no longer be able to trade on the Council's behalf, and the suppliers would move the Council's portfolio to a deemed status.

2.2.1.2 This exposes the Council to out-of-contract rates, which are typically significantly higher. Based on energy expenditure for 2024/2025, a shift to deemed rates—with an estimated additional cost of 30%—would result in an extra £1,036,610.85 (excluding VAT). In a worst-case scenario, where prices double (as seen during past market shocks), costs could rise by approximately £3,455,369.51, effectively doubling the Council's energy spend.

|                    | <u>Expenditure<br/>2024/2025</u> | <u>Total Current Cost<br/>Uplifted 30%</u> | <u>Total Current Cost<br/>Uplifted 100%</u> |
|--------------------|----------------------------------|--|---|
| <b>Gas</b>         | £402,761.97                      | £523,590.56                                | £805,523.94                                 |
| <b>Electricity</b> | £3,052,607.54                    | £3,968,389.80                              | £6,105,215.08                               |
| <b>Total Cost</b>  | <b>£3,455,369.51</b>             | <b>£4,491,980.36</b>                       | <b>£6,910,739.02</b>                        |
| <b>Extra Cost</b>  |                                  | £1,036,610.85                              | £3,455,369.51                               |

**This option is not recommended.**

## 2.2.2 Option 2 – Continuing to buy energy through Third-Party Intermediaries (TPIs)

2.2.2.1 A TPI is an organisation or individual that supports customers in sourcing and securing energy contracts. Acting as an intermediary between energy suppliers and consumers, TPIs do not supply energy directly. Instead, they provide services such as price comparison, Energy trading, contract negotiation, and energy management consultancy.

2.2.2.2 The Council has relied on TPIs to procure its energy requirements for several years. Since 2020, it has engaged with two different TPIs, which has resulted in contracts being placed with multiple electricity and gas suppliers. This fragmented approach has led to frequent changes in energy arrangements on an annual basis, creating administrative inefficiencies and contributing to a backlog of outstanding payments to suppliers.

2.2.2.3 Unfortunately, this model has made it difficult for the Council to implement a coherent and long-term energy procurement strategy. While not impossible, adopting such a strategy through a TPI poses significant challenges—primarily due to strict public procurement regulations. These require the Council to tender for a new energy contract every few years, which limits continuity. Furthermore, assessing the effectiveness of TPIs is inherently difficult, as there is limited transparency around their trading performance and strategic implementation. As a result, the evaluation of the TPI is often based solely on the cost of their service, rather than measurable long-term outcomes.

2.2.2.4 It is also important to note that The UK Government has issued clear guidance on how Government Departments and Public Sector Bodies should procure energy to mitigate exposure to market volatility and avoid paying inflated prices under the Pan-Government Energy Project (now part of the Cabinet Office). While many well-established TPIs offer services that broadly align with the Council's procurement regulations, as mentioned above, they often lack sufficient publicly available data on their trading performance and operational transparency. This makes it challenging to fully evaluate their effectiveness and value for public sector use.

2.2.2.5 Moreover, TPIs face structural limitations in aggregating procurement volumes with other public sector organisations—something the Pan-Government Energy Project explicitly recommends to improve buying power. Due to procurement governance requirements and the commercial nature of TPI operations, which often function in isolation, opportunities for joint procurement are limited. Even when TPIs work with multiple public or government entities, these arrangements are typically managed separately, making it difficult to consolidate volumes or align procurement cycles in a way that delivers the benefits of true aggregation.

**This option is not recommended.**

## 2.2.3 Option 3 – Accessing the Crown Commercial Framework

2.2.3.1 Procuring energy through the Crown Commercial Service (CCS) framework would enable the Council to align with UK Government guidance aimed at mitigating exposure to market volatility and avoiding inflated energy prices, as recommended by the Pan-Government Energy Project. CCS is the UK's largest public procurement organisation and operates as an executive agency of the Cabinet Office. Its core mission is to support the public sector in procuring goods and services efficiently and cost-effectively, delivering savings in both time and resources. CCS manages a broad portfolio of commercial agreements, covering everything from everyday goods to complex services—including financial services, fleet management, HR solutions, legal advice, and energy procurement.

2.2.3.2 The CCS Energy Framework (RM6251) ensures full compliance with government procurement regulations and policy requirements, including those relating to social value, transparency, and the UK's net-zero commitments. As part of its support for decarbonisation, the framework offers access to green energy options, energy efficiency advice, UK-based renewable energy sources, and a suite of carbon reduction solutions. Ancillary services—such as metering, monitoring, and demand-side management—are also available to support more efficient energy use and help reduce overall consumption.

2.2.3.3 As an executive agency of the UK Government, CCS holds a small but notable advantage over other frameworks that are compliant with the UK Procurement Act 2023. This status ensures that CCS frameworks and procurement processes are developed in close alignment with public sector priorities, offering enhanced assurance around compliance, transparency, and value for money. CCS's performance is regularly assessed by the Cabinet Office and the National Audit Office (NAO). In addition, it is endorsed by HM Treasury and evaluated under the Commercial Continuous Improvement Assessment Framework (CCIAF). From time to time, CCS has also been externally reviewed by independent bodies such as the London Energy Project (LEP)<sup>1</sup>, further supporting its credibility and effectiveness in delivering procurement outcomes for the public sector.

2.2.3.4 As recommended by the Pan-Government Energy Project, CCS aggregates energy demand across central government departments, local authorities, the NHS, and other public bodies, creating a national portfolio several times larger than that of other public sector frameworks. CCS uses a few flexible purchasing strategies, buying small volumes of energy across multiple timeframes (ranging from 6 to 48 months). This flexible approach spreads price risk and ensures that energy is secured before market shocks impact price.

2.2.3.5 Therefore, based on its scale, governance, strategic advantages, and supplier management capabilities, it is recommended that the Council procure its gas and electricity through the Crown Commercial Service (CCS). This will ensure greater transparency, compliance, and long-term value for money.

### **This option is recommended**

## **2.3 Background**

2.3.1 A key financial risk faced by the Council is exposure to energy market volatility if a supply contract is not secured in time. As illustrated in the chart below, global events such as the COVID-19 pandemic and the Russian invasion of Ukraine have driven substantial

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<sup>1</sup> The London Energy Project (LEP) was a collaborative initiative involving 35 public sector organizations in London and the English regions, aimed at achieving efficiencies and cost savings in energy procurement and carbon reduction.

volatility in energy prices. Between Q1 2021 and Q4 2023, the average UK non-domestic electricity price rose sharply from 14.81 pence per kWh to a peak of 28.39 pence per kWh—a rise of over 90%. Prices have since moderated but remain elevated, averaging 25.97 pence per kWh in Q4 2024.

2.3.2 Since 2022, the Council has been in contract with Equity Energies (formerly Beond, trading as eEnergy Management Limited). The contract was originally due to end in April 2025; however, Cabinet approved a one-year extension which ends at the end of March 2026. Since the start of the contract, Equity has procured the Council's energy requirements through the OJEU-compliant Gwynedd Energy Procurement Services Dynamic Purchasing System (DPS).

2.3.3 Equity's core services include the tendering and procurement of energy contracts on a flexible purchasing arrangement for the Council's commercial large-electricity and commercial gas supplies, which account for approximately 45% of the Council's total energy usage, and on Fixed Term Fixed Price contracts for the remaining 55% of supplies (including Housing, Street Lighting, TV amplifiers, and commercial small-electricity supplies). The service also includes bill validation, a centralised database, and access to an online energy portal offering cost and consumption reporting.

2.3.4 Equity also offers a range of additional chargeable services, including intermediary support for meter installations and disconnections, new supply connection applications, and Meter Operator (MOP) contract arrangements. They are additionally able to provide Display Energy Certificates (DECs).

2.3.5 The contract for Gas and Electricity covers the Council's property commercial asset portfolio, Streetlighting, and Landlords supply to housing blocks that the council owns, as well as some housing stock for temporary accommodation. It also manages the contract for James Elliman Homes, where the Council has responsibility for Gas and Electricity. A full list of properties can be found in appendix A

2.3.6 Although the Council's current approach to energy procurement is compliant with the Procurement Act 2023, it does not align with the recommendations of the Pan-Government Energy Project. Moreover, there is no clear evidence that the existing model has effectively mitigated exposure to high energy prices or market volatility. This approach has also hindered the Council's ability to implement a coherent, long-term energy procurement strategy.

2.3.7 While not entirely unfeasible, establishing such a strategy through a Third-Party Intermediary (TPI) presents significant challenges—particularly due to public procurement regulations that require TPI services to be re-tendered at regular intervals. Furthermore, evaluating TPI performance is inherently difficult, given the limited transparency around their trading outcomes and strategic methodologies.

2.3.8 The current model has also resulted in fragmented continuity with energy suppliers, as frequent re-tendering leads to repeated changes in contracts. This fragmented approach has created administrative inefficiencies and contributed to a backlog of outstanding payments to suppliers.

## **2.4 Public Sector Approach.**

2.4.1 The UK Government has issued clear guidance on how Government Departments and Public Sector Bodies should procure energy to mitigate exposure to market volatility and

avoid paying inflated prices. Under the Pan-Government Energy Project (now part of the Cabinet Office), it is recommended that all public sector organisations procure energy through a flexible, aggregated, risk-managed framework operated by energy experts.

2.4.2 The UK Pan-Government Energy Project was a cross-government initiative launched in the mid-2000s aimed at improving how public sector organisations procured and managed their energy supplies. Its core goal was to coordinate and standardise energy procurement across the public sector, improving value for money and reducing exposure to energy market volatility. The Project was sponsored and chaired by the Ministry of Defence, working in consultation with customers and public sector and public buying organisations<sup>2</sup>.

2.4.3 The key principles of these recommendations are summarised below:

- Flexible purchasing allows the price of raw energy to be fixed over a number of trades in the wholesale market, over a specified period. The benefits of this method of purchasing compared with traditional fixed-price, fixed-term procurement are that: the purchaser is not solely reliant on the supplier's view of the market, raw energy prices are fully transparent, there are not premiums, and a risk management can be applied.
- Aggregation, this means combining energy volumes across organisations to form a larger portfolio. The benefits of large-scale aggregation are that: larger portfolios are more attractive to suppliers, larger portfolios can attract lower supplier margins which can reduce costs by as much as 3%, there is the potential to increase risk management options and for smaller organisations like Slough can gain the benefits arising from larger volumes.
- Risk management, given the volatility in the market, it is crucial that any energy purchasing is carried out in accordance with a defined risk management strategy. Effective risk strategies are developed from a thorough knowledge and experience of the energy markets, statistical analysis and an understanding of the customer's need for budget certainty. Risk strategies should be 'living' documents that are continually reviewed and updated and should always be underpinned by robust governance.

2.4.2 Therefore, in line with UK Government guidance, it is advised that the Council adopt an energy procurement framework that incorporates best-practice risk management, flexible purchasing strategies, and aggregated energy volumes to optimise cost control and market resilience.

## **2.5 Crown Commercial Services Framework Overview**

2.5.1 Crown Commercial Service (CCS) is the UK's largest public procurement organisation, operating as an executive agency of the Cabinet Office. Its role is to help the public sector procure goods and services efficiently and cost-effectively, generating savings in both time and money. CCS manages a wide range of commercial agreements that cover everything from everyday products to complex services, including financial services, fleet management, HR solutions, legal advice, and energy procurement.

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<sup>2</sup> Buying Solutions, Department for Business Enterprise and Regulatory, Department for Children, Schools and Families Department of Energy and Climate Change Department for Innovation, Universities & Skills Department for Work and Pensions, Eastern Shires Purchasing Organisation, HM Revenue & Customs, Laser, London Energy Project, Ministry of Defence, NHS Purchasing and Supply Agency North Eastern Purchasing Organisation, Office of Government Commerce, Procurement Scotland, Regional Improvement and Efficiency Partnerships, The Energy Consortium, Value Wales, West Mercia Supplies, Yorkshire Purchasing Organisation.

2.5.2 The CCS Energy Framework RM6251 is fully compliant with UK Public Procurement Regulations and aligns with the recommendations of the Pan-Government Energy Project. With an estimated value of £51 billion, this framework represents the largest energy procurement agreement ever awarded in the UK public sector (source: GOV.UK). The framework commenced on 21 February 2023 and is scheduled to run until 20 February 2027. It currently operates with two appointed suppliers: EDF Energy – for electricity supply and related ancillary services. Total Energies Gas & Power – for gas supply and related ancillary services.

2.5.3 This framework includes services such as supply of gas and electricity bought by CCS expert in-house energy trading team, access to a range of energy trading baskets to suit customers' demand and risk, provisions Power Purchase Agreements (PPAs), which allows to buy green energy directly from renewable generators.

2.5.4 Furthermore, it also offers access to clean 'zero carbon' technologies, carbon offsetting credits and allowances, dedicated customer service support, data and portfolio management, siteworks and metering services, support with carbon reporting, among other services.

2.5.5 CCS operates its energy frameworks using a three-party arrangement, which involves: CCS – acting as the central purchasing body, The customer – a public sector organisation (e.g. the Council), and the supplier – responsible for delivering the energy and related services. In this arrangement, CCS procures energy on behalf of the customer, while the supplier focuses on supply and service delivery. To access the framework, the customer must first sign the Customer Access Agreement (CAA) with CCS.

2.5.6 The Council's contractual relationship with each supplier is formalised through the signing of a contract under the relevant CCS Framework Agreement.

2.5.7 The relation between the client and the supplier is established by signing the Framework Agreements. It is important to note that each time CCS awards a framework to a new supplier, the Council is not required to seek Cabinet approval. This is because the arrangement does not carry the same financial implications as the direct agreement between CCS and the client that has authorised CCS to trade on their behalf.

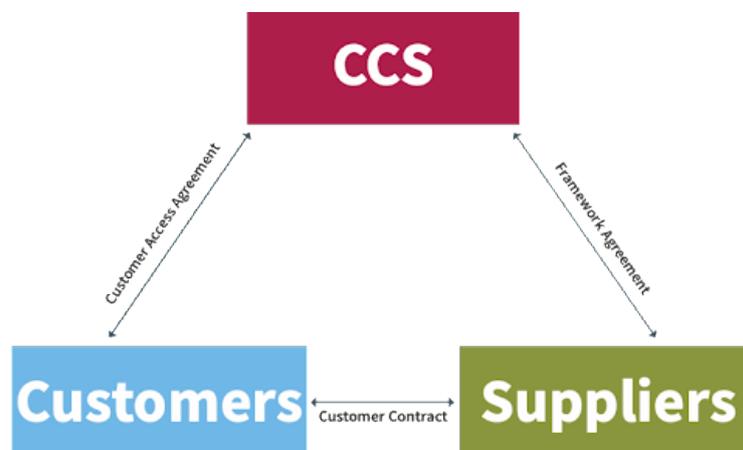


Figure 1 Client and Supplier Relation

2.5.8 The agreement with CCS is structured as an evergreen contract, meaning the Council remains on a rolling arrangement unless formal notice is given to terminate participation. If the Council chooses to exit.

2.5.9 CCS fees are recovered via the Council's monthly energy invoices, incorporated within the supplier's standing charge. Suppliers collect these charges and pass them directly to CCS. This represents CCS's only source of income from its commercial energy frameworks. Their fee structure is fully transparent, and CCS does not receive any commission or income from energy suppliers beyond these charges.

As a division of the Cabinet Office, CCS operates on a not-for-profit basis, with all revenue reinvested into supporting public sector procurement activities.

- Gas meters using less than 500,000kwh per year: £36 per meter, per year
- Gas meters using more than 500,000kwh per year: £240 per meter, per year
- Half Hourly electricity meters (profile class of 00): £240 per meter, per year
- Non-half hourly electricity meters (profile class of 01-02): £5 per meter, per year
- Non-half hourly electricity meters (profile class of 03-08): £24 per meter, per year

## 2.6 Energy Buying Strategy

2.6.1 There are three main approaches to buying energy (listed below), though only the first two are recommended under the Pan-Government Energy Project guidance. These are also the two approaches used by Crown Commercial Service (CCS) under Framework RM6251:

- Often referred to as Variable (V6 and V30), fully flexible purchasing commences prior to the contract start date and continues during the contract supply period, delivering an indicative contract price, which is priced monthly or reconciled periodically when purchasing concludes.
- Often referred to as Locked (L6, L12 and L24), partially flexible purchasing commences and concludes prior to the contract start date, delivering a firm contract price.
- Often referred to as Fixed Term Fixed Price, a spot purchase for the entire energy volume for one to three years on a single day, delivering a firm contract price. This approach carries significant Budget Risk, as all energy could be purchased when market prices are high. Unfortunately, this approach was taken for the period April-2022 to March-2025, and it delivered higher rates than the average market rates. See figure 5. Therefore, this approach is not recommended and should be avoided at all costs<sup>3</sup>.

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<sup>3</sup> It is crucial to keep in mind that this does not imply that Equity Energies Limited (period April-2022 to March-2025) did a poor job; rather, it simply means that they had to deal with a market that was unfavourable to the Council.

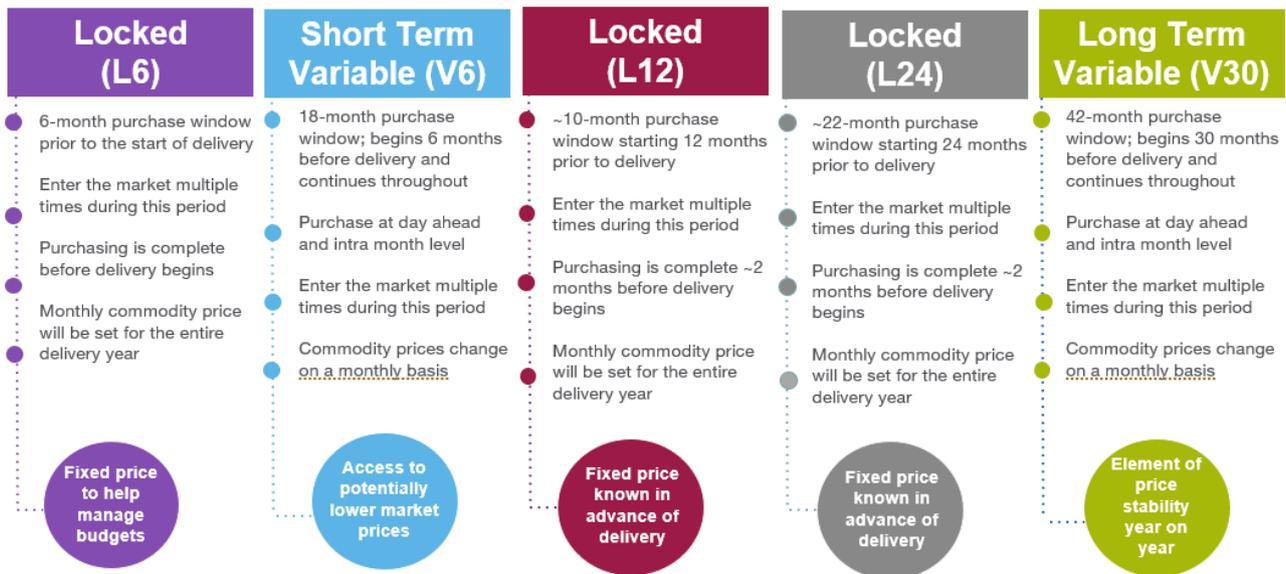


Figure 2 CCS Strategy Profiles

2.6.2 Key factors that affect energy prices are the duration of the buying period, whether purchasing concludes or continues into the contract period, whether the strategy includes budget protection(s), such as price caps and importantly, whether the market is smooth or volatile or is trending upwards or downwards.

2.6.3 The majority of risk managed contracts aim to reduce the risk of paying higher prices due to adverse market conditions and to smooth out the effects of market volatility to avoid widely varying contract prices between budget years. The effectiveness of each risk management option is linked to the customers' attitude to risk, their requirement for price certainty and how long they are willing to commit their energy requirements to a strategy profile, which has a direct correlation to their contract termination period.

2.6.4 Short term baskets (L6, L12 and V6) are more volatile: because their volume is bought during a comparatively short window, they tend to reflect whatever the market was doing during that period. However, terminating the framework that is linked to short term baskets is also short.

2.6.5 Conversely, long term baskets (L22 and V30) are more stable year-on-year, and resist changes in market price more than the short-term baskets. Because they are bought over a longer period, they are exposed to a wider range of market prices which lessens the impact of periods of high prices. The length of the buying window also provides the trading team with more flexibility to decelerate buying during periods of high prices and accelerate when prices are low. However, long term baskets have very long termination periods. It is also important to mention that when the energy market is on a downward trend, a long-term energy basket may appear expensive. However, this perception is often the result of using short-term market prices as a reference point. In general, energy buy performance should be evaluated on long term (short- and long-term baskets).

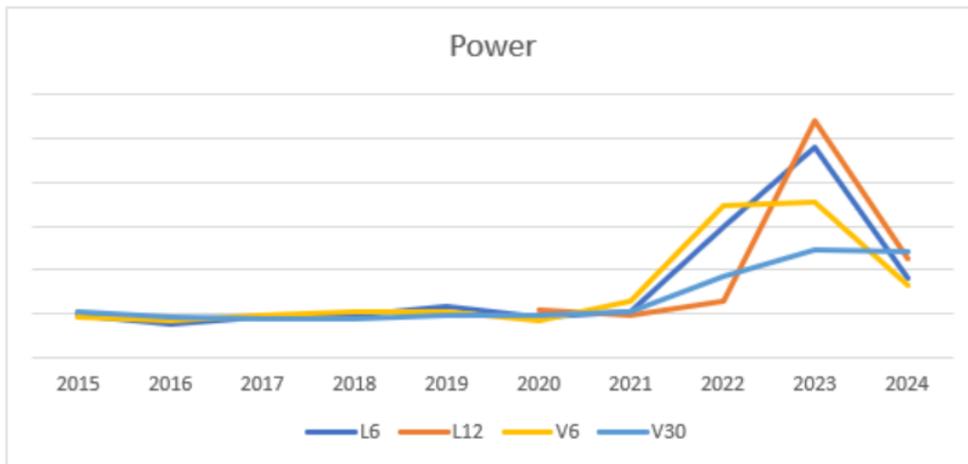


Figure 3 CCS Electricity Baskets Trends

2.6.5 It is strongly advised not to select an energy basket strategy based solely on past price performance. The relative success of any given strategy varies year-on-year, depending entirely on market conditions. This means it is impossible to reliably predict which strategy will deliver the lowest cost in future periods.

Instead, the Council should select a strategy based on their:

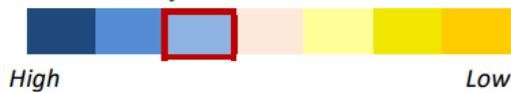
- Risk appetite (tolerance for price fluctuation and volatility).
- Need for budget certainty (whether price stability or potential cost savings are more important).
- Operational flexibility (how long they are prepared to commit to a given purchasing profile).

## CCS Variable 30 (V30)

### Market Opportunity



### Price Certainty



### Budget Management & Control



### Year on Year Price Swings



### Management Complexity & Admin Effort



Figure 4 V30 attributes as evaluated by the London Energy Project 2019

2.6.6 Given the Council's constrained budgets and the unpredictability of future energy markets, the use of longer-term basket strategies offers the best opportunity to secure lower average rates over time while avoiding large year-on-year price fluctuations. The two recommended strategy profiles in this category are:

- Locked L24
- Variable V30

2.6.7 As illustrated in Figure 4, the V30 strategy demonstrated strong performance during the period of energy market instability between 2021 and 2024. Because a significant proportion of electricity was purchased before the 2021 price surges, the V30 strategy's pricing increase was more moderate compared to shorter-term strategies. Even at the market peak in 2023, V30 prices remained comparatively stable, supporting year-on-year price stability.

2.6.8 However, it should be noted that V30 pricing will remain relatively high for a period, as long-term strategies prioritise stability over rapid cost reductions. This is expected and reflects a balanced, risk-managed approach.

2.6.9 Therefore, given its proven performance, market resilience, and budget stability benefits, it is recommended that the Council adopt Crown Commercial Service's **Variable V30** strategy to purchase its electricity and gas supplies under Framework RM6251.

## **2.7 Re-aligning to achieve Value for Money**

2.7.1 Since 2022, the Council has procured approximately 60% of its energy requirements through Fixed Term Fixed Price contracts, securing an entire year's supply in a single day. However, the global uncertainty experienced between 2022 and 2024 resulted in the Council paying premium rates to mitigate perceived market risks. The remaining 40% has been procured on a flexible basis—one month ahead for electricity and one day ahead for gas. While this flexible approach has benefited the Council during the recent downward trend in wholesale prices, its short buying windows leave it vulnerable to sharp price increases should global economic or political conditions suddenly deteriorate.

2.7.2 Figure 5 illustrates how the Council's total average cost compares with electricity prices paid by non-domestic consumers in the United Kingdom, grouped by consumption size. On its own, the Council is classified as a small to medium electricity consumer, and the rates it paid should have been close to those of small/medium consumers (dashed green trend line). However, the Council's actual rates (solid brown trend line) were higher. This underperformance stems from the absence of a robust energy procurement strategy, rather than from the specific parties used to procure the energy. Had the Council followed the UK Government's recommendation to procure energy through a flexible, aggregated, and risk-managed framework, it could have avoided the high energy rates incurred between 2022 and 2025 and achieved rates closer to those of a large (solid light blue trend line) or very large electricity consumer (dashed orange trend line).

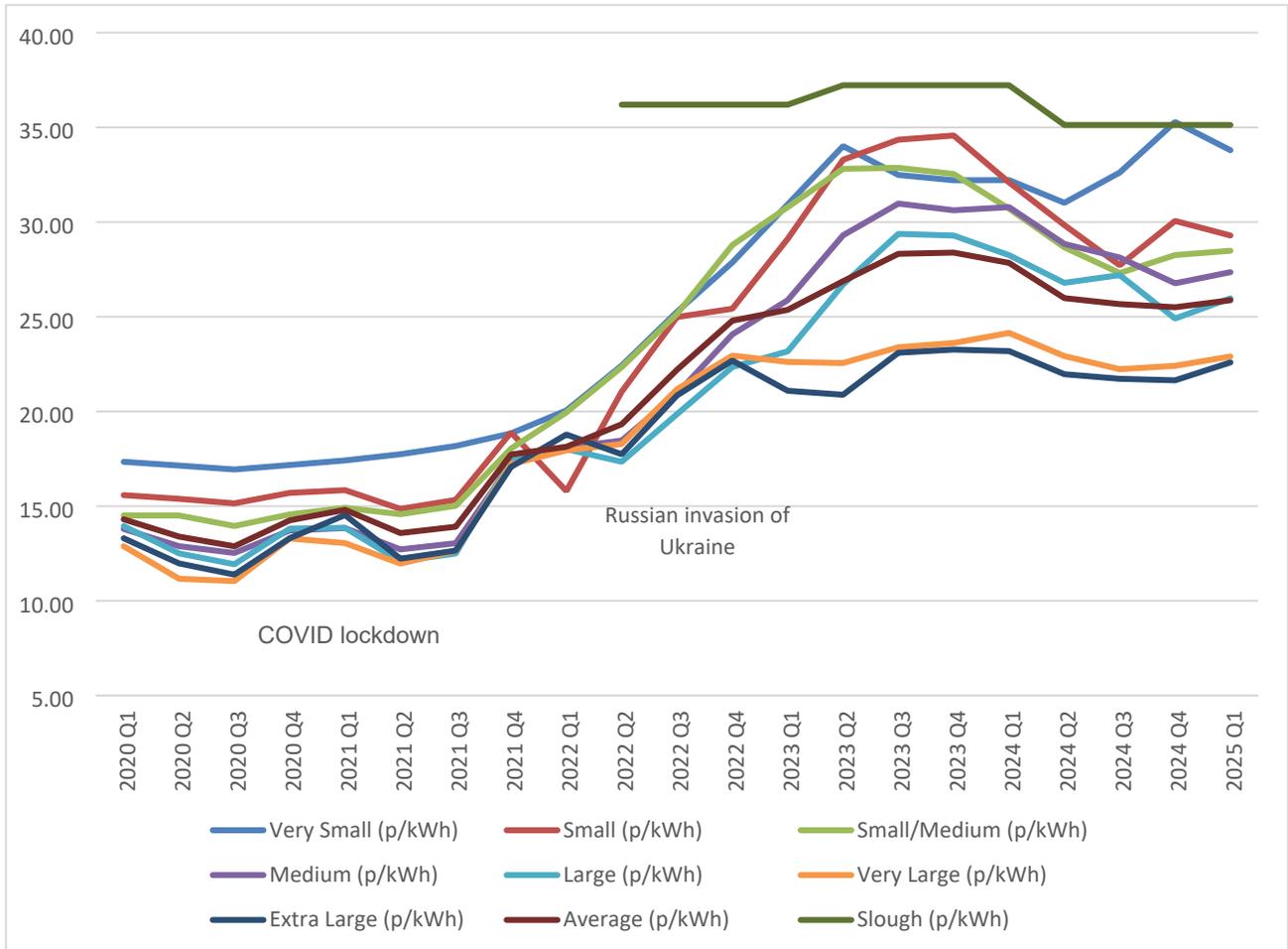


Figure 5 UK average electricity rates grouped by business size

## 2.8 Financial Comparison – Current Contract vs CCS Framework

2.8.1 In addition to the strategic benefits of using CCS Framework RM6251, there is a direct financial saving unrelated to the purchasing strategy itself, arising from the lower service fees charged by CCS compared to the Council’s current Third-Party Intermediary (TPI), Equity Energy.

2.8.2 Based on projected energy consumption for 2024/2025, the CCS service cost is approximately £19,295, while Equity Energy’s service cost is approximately £81,479, representing a potential saving of around £62,184.

2.8.3 It should be noted that, although CCS does not provide the same invoice validation services currently offered by Equity Energy, the Council could procure Systemslink software—an industry-standard platform—for an estimated £10,000 per year. This software would enable in-house validation of energy invoices, support water monitoring, and provide energy-saving analysis. It would help the Council better understand its energy use, identify opportunities for savings, and highlight assets where investment could improve sustainability.

|                    |                       | CCS Rater                | CCS cost          | Equity Energy Rates        | Cost per meters    |
|--------------------|-----------------------|--------------------------|-------------------|----------------------------|--------------------|
| Gas                | Morer than 500,000kWh | £240 per meter, per year | £480.00           | 00.004 £/kWh * Consumption | £ 8,519.32         |
| Gas                | Less than 500,000kWh  | £36 per meter, per year  | £1,512.00         | 00.004 £/kWh * Consumption | £ 16,085.77        |
| Electricity        | Profile S00           | £240 per meter, per year | £7,440.00         | 00.004 £/kWh * Consumption | £ 23,649.63        |
| Electricity        | Profile S03 to S08    | £24 per meter, per year  | £9,648.00         | £75 per meter per annum    | £ 30,000.00        |
| Electricity        | Profile S01 to S02    | £5 per meter, per year   | £215.00           | £75 per meter per annum    | £ 3,225.00         |
| <b>Gas</b>         | <b>Total</b>          |                          | <b>£1,992.00</b>  |                            | <b>£ 24,605.09</b> |
| <b>Electricity</b> | <b>Total</b>          |                          | <b>£17,303.00</b> |                            | <b>£ 56,874.63</b> |
|                    | <b>Grant Total</b>    |                          | <b>£19,295.00</b> |                            | <b>£81,479.72</b>  |

### 3. Implications of the Recommendation

#### 3.1 Financial implications

3.1.1 The global energy market continues to be volatile as a result global issues, impact on the council's resources can continue to be mitigated through a supply contract. It is proposed to procure energy through the Crown Commercial Service (CCS) framework until March 2027 and thereafter a direct replacement agreement over the next 10 years. The current contract with Equity Energies expires in March 2026.

3.1.2 This will continue to provide energy procurement services to the Council and help achieve best value energy costs within available budget. The financial benefits include avoiding inflated costs associated with out-of-contract energy rates and exposure to energy market volatility; and long-term benefits from cost stability through a structured, aggregated, and risk-managed energy procurement strategy.

3.1.3 The impact on 2026/27 proposed budget is set out below. There is potential for future costs savings if wholesale market prices are secured as planned below the current cap stop/loss rigger) price subject to demand side remaining at similar levels. However, it is assumed that the 2026/27 budget will remain in line with the current year as potential savings are not quantifiable at this stage.

|                                  | 25/26<br>Budget   | 25/26<br>Forecast | 26/27<br>Proposed<br>Budget | Variance  |
|----------------------------------|-------------------|-------------------|-----------------------------|-----------|
| Housing Revenue Account<br>(HRA) | £1,000,000        | £1,000,000        | £1,000,000                  | £0        |
| General Fund                     | £2,782,770        | £2,782,770        | £2,782,770                  | £0        |
| <b>Total</b>                     | <b>£3,782,770</b> | <b>£3,782,770</b> | <b>£3,782,770</b>           | <b>£0</b> |

### 3.2 Legal Considerations When Using the CCS Energy Procurement Framework RM6251

3.2.1 The council will call off from the Crown Commercial Service (CCS) Energy Procurement Framework RM6251. This is a current, lawful and complying framework agreement. There are no inherent legal impediments, provided the council adheres to the framework's call-off procedures and the Public Contracts Regulations 2015 (the Regulations), which will be the applicable procurement regime since the framework was set out prior to the effective date of the Procurement Act 2023.

3.2.2 The recommendations to the Cabinet which are outlined in this report are in line with the council's Contract Procedure Rules (CPRs). Slough Borough Council Procurement Application and Authorisation Table in the CPRs requires that in relation to all procurements of goods, services or works which are above the value of £500 000, "*authority to procure must be obtained through Cabinet prior to any tender activity starting*".

3.2.3 On behalf of Legal, I confirm that the proposed call off from the Crown Commercial Service (CCS) Energy Procurement Framework RM6251 will be lawful and compliant both with the law and with the council's CPRs.

#### 3.2.4 Procurement Act 2023

3.2.4.1 The CCS Energy Procurement Framework RM6251 is a fully compliant routes to market. It has been designed to meet the requirements of the Procurement Act 2023, ensuring that the Council's procurement activity aligns with the Act's core principles of value for money, transparency, integrity, and fair treatment of suppliers. CCS is currently developing Framework Agreement RM6390, which will succeed RM6251 when it expires in March 2027.

#### 3.2.5 Public Contracts Regulations 2015 (PCR 2015)

3.2.5.1 RM6251 was procured in compliance with the Public Contracts Regulations 2015 (PCR 2015). By using this framework, the Council can award call-off contracts without undertaking a separate full procurement procedure, provided it follows the prescribed CCS call-off process. CCS is currently developing Framework Agreement RM6390, which will succeed RM6251 when it expires in March 2027. CCS is currently developing Framework Agreement RM6390, which will succeed RM6251 when it expires in March 2027.

#### 3.2.6 Transparency and Accountability

3.2.6.1 The CCS framework RM6251 was advertised on the Find a Tender Service (FTS) and Contracts Finder during its tender process. It is now an awarded and active framework agreement, meaning it is no longer open for new supplier bids but can be used by contracting authorities. The initial advertisement and award publication fulfil the statutory transparency

requirements under UK procurement law (Cabinet Office, 2024). CCS is currently developing Framework Agreement RM6390, which will succeed RM6251 when it expires in March 2027.

### 3.2.7 Legally Binding Call-Off Contracts

3.2.7.1 When the Council calls off from Framework RM6251, it enters into a legally binding contract with the appointed gas and electricity suppliers. The terms of the contract are governed by the overarching CCS Framework Agreement, and this arrangement is expected to be consistent with future frameworks.

3.2.7.2 Both the Access Agreement (between the Council and CCS) and the Energy Call-Off Contracts (between the Council and suppliers) run for an unlimited term and remain in force until terminated, either:

- due to a breach of contract; or
- at the conclusion of the “final requested associated delivery period” as defined in the contract.

3.2.7.3 If the Council does not wish to purchase energy under one or both Energy Call-Off Contracts for the following April delivery period, it must formally opt-out before the specified cut-off date in the preceding September.

### 3.2.8 Internal Governance and Safeguards

3.2.8.1 The Energy Call-Off Contracts have the contractual ability to continue without new internal approvals being obtained. It is therefore essential that:

- Officers monitor contract timelines and opt-out deadlines.
- Internal approval processes are completed in good time to allow the Council to make an informed decision before the September cut-off date.
- Safeguards are in place to prevent unintended continuation of supply commitments.

## 3.3 Risk management implications

### 3.3.1 Key Milestone and process

3.3.1.1 The critical milestone for the Council is 31 March 2026, when the current energy supply agreement expires.

### 3.3.2 Procurement Timeline

| Procurement Actions   | When                            |
|---|---------------------------------|
| Sign the Customer Access Agreement (CAA) to access the framework RM6251.                                    | Prior to end of March 2026.     |
| Sign the Call-Off Contracts with suppliers under framework RM6251.  | Prior to end of March 2026.     |
| Crown Commercial services to place the Council on an interim rate.  | Prior to end of March 2026.     |
| CCS to place the Council on a suitable purchasing strategy window.  | Prior to end of September 2026. |
| Sign the Call-Off Contracts with suppliers under framework RM6390, which will succeed the framework RM6251. | Prior to end of March 2027      |
| The Council's energy portfolio will transition to the V30 strategy by 2028.                                 | By 2028.                        |

3.3.2.1 As new frameworks are introduced, the Council may enter into call-off contracts with suppliers, provided these comply with all legal and governmental requirements and align with UK Government energy procurement recommendations.

### 3.3.3 Resourcing requirements and dependencies

| Role                  | Responsibilities   |
|-----------------------|--|
| <b>Energy Manager</b> | <ul style="list-style-type: none"> <li>• Manage the Council's energy procurement frameworks.</li> <li>• Monitor energy market trends and advise on forward purchasing strategies to balance risk, cost, and budget certainty.</li> <li>• Ensure compliance with procurement legislation (Procurement Act 2023, public sector procurement rules).</li> <li>• Oversee energy budgets for the Council estate.</li> <li>• Ensure the Council remains energy debt-free.</li> <li>• Forecast costs and mitigate exposure to market volatility.</li> <li>• Advise finance teams and senior leadership on energy risks and opportunities.</li> <li>• Liaise with the Council's internal energy stakeholders.</li> <li>• Liaise with external energy suppliers.</li> <li>• Monitor and report on energy consumption and carbon</li> </ul> |

|  |  |
|--|--|
|  | <p>emissions across the Council's estate.</p> <ul style="list-style-type: none"> <li>• Manage energy efficiency programmes (retrofits, LED street lighting, building controls, etc.).</li> <li>• Identify and implement energy-saving opportunities.</li> <li>• Represent the Council on energy and sustainability matters.</li> </ul> |
| <b>Executive Director for Property and Housing</b> | <ul style="list-style-type: none"> <li>• Approve and sign Call-Off Contracts with suppliers under the relevant framework.</li> </ul>   |
| <b>Payments Office &amp; Agresso</b>               | <ul style="list-style-type: none"> <li>• Process and pay energy invoices in line with Council financial procedures.</li> </ul>   |

### **3.4 Environmental implications**

3.4.1 Through the CCS framework, the Council can purchase green energy—via Power Purchase Agreements (PPAs)—directly from renewable generators, securing long-term, fixed-price contracts. The framework also provides access to carbon offset allowances and credits, supporting the Council's sustainability objectives. In addition, metering and siteworks services are available through the framework, contributing to further reductions in the Council's carbon emissions.

### **3.5 Equality implications**

3.5.1 As a public sector buying organisation, CCS is committed to helping clients realise social value benefits throughout the procurement process, in line with legislation such as the Public Services (Social Value) Act. However, opportunities to deliver social value within the energy procurement framework are relatively limited due to the nature of the industry.

### **3.7 Procurement implications**

3.7.1 The procurement option being considered is

- Direct awards as Call off Contracts to two suppliers from April 2026 – March 2027 using the CCS Framework Ref: RM6251 - Supply of Energy 2, for the supply of gas and electricity to facilitate the supply continuity and avoid disruption to the service. As per the recommendations.
- It should also be noted that this framework is subject to PCR2015, and will expire on 20 February 2027, to be superseded by a new Framework Ref: RM6390 – Supply of Energy 3, to be awarded in December 2026. As such it is intended that the new framework will be used to procure future gas and electricity requirements for the Council from April 2027.

## **4. Background Papers**

None