

Schools Funding Forum 19th March 2020

ITEM 8

Subject Heading:

School Energy Contracts

Report Author:

**Catherine Culley – former Energy
Strategy Projects Officer**

Eligibility to vote:

School and academy representatives

SUMMARY

One of the responsibilities of Schools Forums is to consider contracts where the local authority is entering a contract to be funded from the schools budget.

This report is for the Schools Funding Forum to note the recent changes to the arrangements for Havering's energy procurement that affect schools.

RECOMMENDATIONS

That the Schools Funding Forum notes the arrangements for the LA's energy procurement with effect from April 2020.

REPORT DETAIL

For several years schools have been part of the same energy procurement framework contract with Crown Commercial Services (CCS) that the Council uses to purchase gas and electricity. School sites and supplies have been tied in to the same contractual terms as the Council, which requires notice to have been given

by 1 September 2019 if schools wished to leave the contract and find their own supplier from 1 April 2020. The Council was required to formally notify CCS on behalf of any schools whose supplies would be leaving the framework.

In September LB Havering gave notice to CCS that it would be terminating the contract which would come to an end on 31 March 2020. All the supplies under the framework (the council's own and any that are part of the LB Havering Framework, including the supplies to schools) will exit the CCS framework at midnight 31 March 2020. Havering is currently investigating energy procurement options for its own supplies from 1 April 2020.

All schools were sent an email advising them of their options follows:

1. Join a new framework with Havering Council - this is the default option

- If you do not reply we will assume that you want to join in with the council and benefit from the new contract arrangements that Havering sets up for its own supplies
- Details of the new arrangements will be sent out in due course as they are agreed by the council with the new framework provider and suppliers
- It is likely that you would be tied in to similar termination notification dates or contract requirements to the ones that are currently in place
- If you chose this option at least one of the existing energy suppliers (EDF, British Gas Business and Corona Energy) will change; this may affect your billing processes
- Your accounts must be fully paid up and any historic debt must be cleared to avoid an objection from the current suppliers to the switch
- **If you have outstanding debt on an account it is likely that the current supplier will object. This means that your account will not switch and will move to deemed rates with the existing suppliers, which are very costly. The council will not cover this cost.**
- **You need to confirm by email to EnergyStrategy@haverling.gov.uk by 2 pm on Tuesday 14 January 2020 if you want to arrange your own suppliers and contracts from 1 April 2020.**
- If you select this option you may be required to sign a separate contract with the new providers

2. Exit the contract and Arrange your own supplier(s)

- This means that your supplies will exit the framework agreement at midnight on 31 March 2020
- You will need switch to new suppliers, or arrange to stay with the existing ones, and arrange for your new contract to start on 1 April 2020
- Should you choose this option then we recommend that you investigate the following information <https://www.gov.uk/guidance/buying-procedures->

[and-procurement-law-for-schools](#) and
<https://schoolswitch.crowncommercial.gov.uk/#!/home> and
<https://ccsheretohelp.uk/sector/schools-academies/>

- CCS have also advised that under the School Switch scheme it would be possible to move to a direct schools contract and remain with the current suppliers. Nicola Thorp of CCS can discuss the options in more details and her contact details are below
- Your accounts must be fully paid up and any historic debt must be cleared to avoid an objection from the current suppliers if you decide to switch
- **If you have outstanding debt on an account it is likely that the current supplier will object. This means that your account will not switch and will move to deemed rates with the existing suppliers, which are very costly. The council will not cover this cost.**
- **If you choose this option you need to email EnergyStrategy@haverling.gov.uk by 2 pm on Tuesday 14 January 2020 to confirm your choice. Please feel free to email us earlier with your answer.** The earlier you let us know the more helpful that will be

Please note, this is a contractual change and you will not be disconnected from your gas or electricity supplies. Should you experience any problems with any supply you should report them to the supplier in the usual manner as advised on your bills.

If I do not hear back from you by 2 pm on Tuesday 14 January 2020 we will assume you have selected option 1, and are happy to go ahead with the new contract and suppliers that the Council arranges for its own supplies.