

## Chesham Town Council

Tony Marmo  
Chief Executive Officer



Tel: 01494 774842  
[www.chesham.gov.uk](http://www.chesham.gov.uk)  
Email: [tony.marmo@chesham.gov.uk](mailto:tony.marmo@chesham.gov.uk)

1 September 2022

Dear Councillor,

I hereby give you notice that an **Extraordinary Meeting of the FINANCE COMMITTEE** to be held in the Community Hall, the Town Hall, Chesham, on

**WEDNESDAY 7 SEPTEMBER 2022 AT 8.30pm**

1. Apologies for Absence
2. Declarations of Interests.
3. Minutes of the meeting held on the 30 August 2022
4. Procurement of Electricity and Gas Contracts

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tony Marmo'.

Tony Marmo  
Chief Executive Officer

Councillor	Wilford Augustus	Councillor	Umar Hyyat
Councillor	Alan Bacon	Councillor	Jane MacBean
Councillor	Joseph Baum	Councillor	Francis Holly
Councillor	Simon Booth	Councillor	Fred Wilson
Councillor	Paul Harding		



**CHESHAM TOWN COUNCIL**  
**MINUTES of the meeting of the FINANCE COMMITTEE**

held on 30 August 2022

**Councillors:**

Councillor Wilford Augustus  
Councillor Alan Bacon  
Councillor Joe Baum  
Councillor Simon Booth

Councillor Umar Hayyat  
Councillor Francis Holly

**In attendance:**

Mr Tony Marmo  
Mrs Emma Powley  
Ms Kathryn Hallett

Chief Executive Officer  
Interim Town Clerk  
Head of Corporate Services

**20. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Harding, Wilson and Macbean.

**21. DECLARATIONS OF INTEREST**

There were none.

**22. TO RECEIVE THE FINANCIAL DECISION TRACKER**

The Committee received the financial decision tracker noting progress made against each action. Members were informed that the tracker gave Councillors clarity on the level of reserves in relation to the financial decisions of the Council at committees. Future Finance Committees would be provided with information about forecasting for consideration.

In response to a question raised, it was agreed that two projects currently marked as 'not progressing', 'Town Twinning' and 'Codmore Pavilion – internal works' be moved to 'needs attention' as work was currently being undertaken on both projects.

With regards to Codmore Pavilion, members agreed to look at the non-confirmed outstanding amount of £5k with a view to revisiting and spending the grant monies.

**RESOLVED:**

- i) That the financial decision tracker be noted.

**23. FINANCIAL FORECAST REPORT PROCESS**

The Committee received a report updating members on the new process currently being put in place to ensure a budget versus actual, and a forecast year-end report is received at each Finance committee. It is anticipated that the new process would allow for much more up to date information to be reported to future Finance Committees.

It was explained that some of the software systems currently used by the Town Council are not compatible with Opera, the Council's finance system. This means that manual entry is being done at the end of each month, slowing down the reporting process. It was noted that there may be a

need to consider changing the financial systems in future, based on a recommendation by Advanced IT, the Councils IT providers.

The Chief Executive Officer (CEO) and Responsible Finance Officer (RFO) have met with all service managers this month, to ensure they take more ownership of budget processes. The managers confirmed they had not been given ownership in the past.

**RESOLVED:**

- i) That the financial forecast reporting process be noted

**24. PROCUREMENT OF ELECTRICITY AND GAS CONTRACTS**

Members were updated by the Chief Executive Officer (CEO) who informed them that the Council's current utilities contract finishes on the 30 September. The Council are currently facing severe challenges in undertaking a new contract due to the extremely volatile electricity and gas market.

A member noted that there was a possibility that the new Prime Minister may intervene (once elected) and introduce measures to assist with the increased energy costs. However, there was some urgency due to the end of the current contract. Members were informed that should the Council join the Buckinghamshire Energy Buying Group, the Town Council would benefit from this, it being the current cheapest option. Previously members had not wanted to join the Buying Group as they did not provide green energy; however, this had since changed and members were mindful of their commitment, having declared a 'climate emergency' and agreed that this decision should be reversed.

Members discussed the length of time and cost each contract would offer and considered whether switching to a variable rate would be prudent until such a time as further information had been gathered and a new Prime Minister elected. The CEO informed the Committee that OfGem were currently stating that it was likely that prices would continue to rise. In response to a question raised, it was explained that very few 1-year contracts were available in the commercial market and they are on more expensive rates than a 2-year contract. The Responsible Finance Officer will inform members after the meeting whether or not the Town Council were entitled to a 'cooling-off' period with the energy company, once they had entered into a contract.

The Committee considered whether deferring the decision (to enter into a contract) and recommending it to Full Council would be a viable option. Due the timings of the Committees, the general consensus was that should there not be a 30-day cooling off period, an additional Finance Committee be called whereby a decision be made with regards to signing a new contract prior to the end of the current contract.

The Committee considered what the options were should they choose not to use the Council's reserves to pay for the increased energy costs and were informed that there would potentially need to be a loss in staff numbers. They also dismissed the notion of raising the precept half way through the financial year to cover the rising costs. The Committee discussed a number of cost-cutting measures including increased pricing, potential temporary closure of assets or reducing expenditure.

Members were asked to consider and feed into their Group Leaders any cost saving measures or revenue generating schemes that could be considered by the Council in the future.

**RESOLVED:**

- i) That the criteria “Green Tariff if within £10,000 of the lowest tariff” is used when selecting the next electricity contract.
- ii) That the Council join the Buckinghamshire Energy Buying Group if it is the best option on the day.
- iii) That should the Terms and Conditions of the new contract have a 30 day ‘cooling-off’ period, the Chief Executive, in consultation with the Head of Corporate Services sign up to a maximum 2-year contract for energy
- iv) That should there not be a 30-day cooling off period, the finance committee are to reconsider the position at a further extraordinary Finance Meeting on or around the 12 September 2022

The meeting closed at 8.41pm

**AGENDA ITEM NO: 4 – Procurement of Electricity and Gas Contracts**

**Reporting Officer:**

Kathryn Hallett

Head of Corporate Services

01494 583825

[kathryn.hallett@chesham.gov.uk](mailto:kathryn.hallett@chesham.gov.uk)

**Purpose of Report:**

1. To authorise the RFO to proceed with obtaining electricity and gas tariffs that achieve the best outcome for Chesham Town Council (the Council).

**Background Information**

2. A report on the procurement of electricity and gas contracts was considered at the Finance committee on the 30 August 2022 (minute number 24). The Committee concluded that it needed more information before it could recommend the RFO complete the signing of a fixed term contract. The committee asked the RFO to provide:
  - a) The difference between the standard variable rate and the current fixed rate on offer
  - b) The colling off period if a contract were signed
  - c) The deadline for signing up to Bucks Council's energy consortium
3. The committee agreed the following recommendations at the 30 August 2022 meeting:
  - a) That the criteria "Green Tariff if within £10,000 of the lowest tariff" is used when selecting the next electricity contract.
  - b) That the Council join the Buckinghamshire Energy Buying Group if it is the best option on the day.
  - c) That should the Terms and Conditions of the new contract have a 30 day 'cooling-off' period, the Chief Executive, in consultation with the Head of Corporate Services sign up to a maximum 2-year contract for energy.
  - d) That should there not be a 30-day cooling off period, the finance committee are to reconsider the position at a further extraordinary Finance Meeting on or around the 12 September 2022.

**Findings**

4. The Councils current budget for electricity and gas bills from this contract is:

Utility	2022-23 £
Electricity	47,256
Gas	42,252

5. The prices presented at the Finance Committee on the 30 August were gained on the 16 August 2022. Officers have asked for updated prices on the 1 September 2022. The prices that have come back have risen as follows:
  - a) Electricity – from 64p to 82p
  - b) Gas – from 17p to 19p

6. The difference between the current standard variable rate and fixed rate is:

<b>Standard Variable Rate</b>	<b>Consumption</b>	<b>Rate £</b>	<b>Cost £</b>
Electricity	226,483	0.96	217,423
Gas	1,152,782	0.48	553,335
<b>Total Cost</b>			<b>770,758</b>

<b>Fixed Rate</b>	<b>Consumption</b>	<b>Rate £</b>	<b>Cost £</b>
Electricity	226,483	0.82	185,716
Gas	1,152,782	0.19	219,028
<b>Total Cost</b>			<b>404,744</b>

7. Bucks Council energy have confirmed they are negotiating a two-year fixed contract but that the second-year price shall be reviewed in January 2023. Currently the predicted price for year two of the contract is electricity at 53p and gas at 10p. On this basis the Council energy costs would reduce to:

<b>Fixed Rate</b>	<b>Consumption</b>	<b>Rate £</b>	<b>Cost £</b>
Electricity	226,483	0.53	120,036
Gas	1,152,782	0.10	115,278
<b>Total Cost</b>			<b>235,313</b>

8. The energy brokers have confirmed there is no cooling off period for business customers. A 14-day cooling off period is only available to domestic customers.

9. The deadline for signing up to Bucks Council energy consortium is the 9 September 2022

### **Implications**

10. Financial: the utilities cost increase will place significant pressure on the Council.

11. Strategic: to ensure the Council is efficient and effective.

12. Environmental: as detailed within the report.

13. Equality Act: the implications of any specific actions taken are assessed prior to implementation.

### **Recommendations**

14. The following recommendations are made:

- i) That the RFO is authorised to proceed with obtaining and signing up to electricity and gas tariffs that achieve the best outcome for Chesham Town Council (the Council).