



Alexandra Park and Palace Charitable Trust Board Meeting

Agenda Item 13

Date: 29th October 2026

Report Title: Energy Procurement Strategy

Report of: Niki Cornwall, Interim Finance Director

Purpose: This paper seeks approval from the APPCT Boards for the proposed approach to the procurement of gas and electricity, following an options review undertaken by eXceeding ahead of the current contract renewal arrangements.

Local Government (Access to Information) Act 1985 – NA

1. Recommendations

- The Boards are asked to approve remaining within the Crown Commercial Service/Government Commercial Agreement (CCS/GCA) framework, retaining EDF for electricity and Total Gas and Power for gas.
- The Boards are asked to approve the proposed move from the current L6 purchasing product to the L12 product
- Note that the indicative modelling estimates L12 to be £183,983 per annum cheaper than remaining on L6 and £63,773 per annum cheaper than the YPO bespoke quotation.
- Note that Renewable Energy Guarantees of Origin (REGO) certificates will not be added to the electricity contract at this stage.
- To approve the implementation route with CCS/GCA and the suppliers, as long as the final terms remain consistent with the approved strategy and are reported back through the usual governance process.

2. Executive Summary

Procurement Support Specialist have reviewed public-sector compliant options for Alexandra Palace's gas and electricity procurement. Of the four framework providers approached, CCS/GCA and YPO supplied bespoke, meter-specific pricing; LASER Energy and ESPO had not responded in time for the options paper. The recommendation is to remain with CCS/GCA and change purchasing product within the existing framework, rather than move provider.

The recommended L12 product uses a 12-month purchasing window and fixes the price before each contract period begins. This provides greater budget certainty while avoiding the volume-lock-in risk of a fully fixed contract, which is important because energy use varies materially with the events programme. The recommendation also keeps both fuels under one framework and avoids additional administrative complexity.

3. Options considered

Option	Indicative annual cost	Difference vs L12	Assessment
CCS L6 (current product)	£2,233,030	£183,983 higher	Not recommended: shorter purchasing window and higher indicative cost.
CCS L12 (recommended)	£2,049,047		Recommended: lowest combined indicative cost among the directly compared L6, L12 and YPO options, with prices fixed before delivery.
YPO bespoke quote	£2,112,820	£63,773 higher	Not recommended: higher indicative combined cost and no sufficient material advantage to justify changing framework.
CCS V30	Electricity model: £1,705,281	Not directly comparable as a single-fuel figure	Not recommended: continued trading during delivery conflicts with the requirement for budget certainty.

Note: figures are indicative and based on the consumption profile used in the options paper. They are not a guarantee of future outturn cost.

4. Financial implications

- The modelled combined annual cost for L12 is £2,049,047, compared with £2,233,030 for L6 and £2,112,820 for YPO.
- The indicative saving from L12 is per annum against L6, equivalent to approximately 8.2%, and £63,773 per annum against YPO.
- The options paper uses annual consumption of 7,061,206 kWh for electricity and 6,222,283 kWh for gas.
- A later like-for-like check using the current TotalEnergies gas bill estimated current gas spend at £236,672 per annum and indicated a potential increase of approximately £4,000 if moving to L12 in the following year. This highlights that the headline savings compare future product options rather than necessarily representing a reduction against the current year's actual spend.
- The electricity comparison against current-year actual spends remained subject to further half-hourly consumption analysis.

5. Sustainability considerations

The paper considered adding REGO certificates to the EDF electricity contract at an estimated cost of approximately £12,357 per annum. REGO certificates evidence the renewable origin attributed to electricity but do not mean that Alexandra Palace's physical supply is wholly renewable. Following consideration, management's position is not to purchase REGO certificates at this stage. This can be reviewed in a future procurement cycle alongside the wider sustainability strategy.

6. Key risks and mitigations

Risk	Impact	Mitigation
Implementation date	The move to L12 may not be available until April 2028.	Obtain written confirmation from EDF/CCS/GCA before committing to the final route.
Termination and framework continuity	Terminating L6 could end framework participation from April 2027.	Do not issue termination instructions until contractual consequences are confirmed.
Indicative pricing	Actual costs may differ due to market movement and consumption.	Validate final prices, standing charges, fees and consumption assumptions before award.
Incomplete market response	LASER Energy and ESPO did not respond in time.	Record that the recommendation is based on the evidenced responses received; consider any competitive late response before commitment if timing permits.
Consumption volatility	Event activity creates significant peaks and troughs.	Retain a flexible basket product with wider volume tolerances rather than a fully fixed volume contract.

8. Next steps

1. Secure written confirmation of the earliest L12 start date, termination deadline, and any implications for participation in the CCS/GCA framework.
2. Validate final gas and electricity pricing on a like-for-like basis, including standing charges, framework fees and the latest consumption data.
3. Subject to satisfactory confirmation, instruct APP External Procurement Support Specialist to coordinate the change with CCS/GCA, EDF and Total Gas and Power.
4. Reflect the approved procurement strategy and updated cost assumptions in the relevant budgets and forecasts.
5. Report on the final implementation outcome and any material variance from this paper through the usual governance route.

Legal Implications

The Council's Director for Legal & Governance has been consulted in the preparation of this report and has no comments.

Financial Implications

The Council's Chief Financial Officer has been consulted in the preparation of this report and has no comments.