

LANCASHIRE SCHOOLS FORUM
Date of Meeting: 18 October 2022

Item No: 9
Title of Item: Energy Cost Update

Appendices A refer
Executive Summary

This report provides an update from Energy Team.

Recommendations

The Lancashire Schools Forum is asked to:
a) Note the report.

Background

The prices for the energy are still not available. These should be received by the end of October. At this moment, there is no further information that can be provided other than what was published on School Portal on 6th October. This letter can be found in Appendix A.

Currently, the team is trying to get more clarity on what to expect but they have no further information and are waiting on the suppliers.

6th September 2022

October 2022 annual energy price increase

(Please forward to the person with financial responsibility)

As you will be aware the prices for gas and electricity on the LCC contracts are due to change on **1st October 2022**.

LCC's strategy is to buy energy at different points throughout the contract period. This helps reduce the risk of having to buy all the energy when prices are highest. Due to this the contract has performed better than the wholesale market. However, because the market has been so volatile for so long it has been impossible to completely escape significant price increases.

Because purchases are made up to the contract start date it is only close to the start date, when most of the purchases are done that our procurement agents can be confident of the price increases.

The average projected increase across the whole portfolio is expected to be:

Gas-150%

Electricity-83%

The new prices will be on the October bills that are issued towards the end of November. Independent market testing tells us the prices achieved are 38% and 26% lower than the market rate for gas and electricity respectively.

The energy engineers are available to offer practical advice on reducing energy consumption. If you would like their assistance or have any questions, please contact:

Energy.team@lancashire.gov.uk