

Durrington Town Council

Report to the Finance and HR (FHR) Committee

Meeting date:	15 September 2026
Report title:	Renewal of Gas and Electricity Supply Contracts – Village Hall and Pavilion
Report author:	Jo Tudor
Current contract ends:	8 November 2026 (both sites, Octopus Energy)

1. Recommendation

That the Committee approves renewal of the electricity and gas supply contracts for both the Village Hall and the Pavilion with Octopus Energy on the 24-Month Fixed tariff, at a combined estimated annual cost of £9,817.67 (excl. VAT), and authorises the Clerk to accept these tariffs before the current contracts expire on 8 November 2026.

2. Background

The Council's current electricity and gas supply contracts for both buildings, held with Octopus Energy, end on 8 November 2026. As there is no Full Council or FHR meeting between this meeting and December, the renewal decision needs to be considered now.

Two pieces of evidence have been gathered to inform this decision: (i) an independent market comparison obtained via broker Utility Aid, testing Octopus's current rates against c.20 competitor tariffs per meter; and (ii) Octopus Energy's own renewal offer for each site, giving Flexible, 12-month fixed and 24-month fixed options.

3. Market comparison (broker quotes, minimum 2-year term)

The table below compares the Council's current per-meter rates with the cheapest competitor quote obtained for each fuel and site with a term of two years or more. Every one of the roughly 80 competitor quotes received across both sites and fuels was more expensive than the current Octopus rate.

Site	Fuel	Current annual cost	Cheapest alternative (2yr+)	Supplier / term	Increase
Pavilion	Electricity	£1,348.58	£1,661.17	EDF Energy, 36 months	+£312.59 (+23.2%)
Pavilion	Gas	£1,173.35	£1,526.93	Smartest Energy, 48 months	+£353.58 (+30.1%)
Village Hall	Electricity	£2,507.43	£3,058.58	Smartest Energy, 36 months	+£551.15 (+22.0%)
Village Hall	Gas	£2,743.05	£3,749.01	Smartest Energy, 48 months	+£1,005.96 (+36.7%)
Total		£7,772.41	£9,995.69		+£2,223.28

Note: figures are annual costs excluding VAT, based on the last 12 months' consumption as supplied to the broker. Several of the cheaper competitor tariffs (Smartest Energy, British Gas Lite) require a smart meter to be installed as a condition of the contract.

4. Octopus Energy's own renewal offer

Octopus Energy has separately written to the Council with its own renewal options for each site (annual estimates, excl. VAT, combining electricity and gas):

Site	Flexible (no fixed term)	12-Month Fixed	24-Month Fixed
Pavilion	£3,644.15	£3,391.99	£3,135.53
Village Hall	£7,787.45	£7,302.17	£6,682.14
Total	£11,431.60	£10,694.16	£9,817.67

If no tariff is selected by 8 November 2026, the Council will default to the Flexible tariff, which is the most expensive of the three options at both sites.

5. Comparing the 24-month options

Taking a 2-year term as the benchmark the Committee asked for, Octopus's own 24-Month Fixed tariff is cheaper overall than assembling the cheapest available 2-year-plus quotes from the wider market, even though that would mean splitting electricity and gas across three different suppliers and terms:

Site	Octopus 24M Fixed	Best market alternative (2yr+, mixed suppliers)	Octopus saves
Pavilion	£3,135.53	£3,188.10	£52.57
Village Hall	£6,682.14	£6,807.59	£125.45
Total	£9,817.67	£9,995.69	£178.02

Staying with Octopus on the 24-month fix therefore gives the best combined price available for a 2-year term, while keeping a single supplier and matched contract end-date across both buildings and both fuels, and without the smart-meter condition attached to several competitor tariffs.

6. Financial implications

All options considered, including remaining with Octopus, represent an increase on the Council's current combined annual cost of £7,772.41 (excl. VAT), reflecting general movement in wholesale energy prices rather than a specific loss of competitiveness. The recommended 24-Month Fixed option represents an increase of approximately £2,045.26 per year (+26.3%) on current costs but is the lowest-cost route to the 2-year.

7. Recommendation (restated)

- Approve the Octopus Energy 24-Month Fixed tariff for the Pavilion (electricity and gas): estimated £3,135.53/year (excl. VAT).
- Approve the Octopus Energy 24-Month Fixed tariff for the Village Hall (electricity and gas): estimated £6,682.14/year (excl. VAT).
- Authorise the Clerk to confirm the exact rates via the Council's online Octopus account and accept both tariffs before 8 November 2026.