



www.nhgggroup.org.uk

Addressee Name
First Line of Address
Second Line of Address
Third Line of Address
Postcode

Date

Dear

Utility Broker and Energy Supply Agreements

We are writing to provide you with details of a utility brokerage contract that we have recently entered into and of future energy supply agreements which we intend to procure in future. These contracts are successors to our current contracts for communal energy supplies, which you presently contribute towards as part of your service charge.

New single utility broker agreement

We have recently procured a single utility broker agreement for the whole of Notting Hill Genesis (NHG) with a company named Inenco in place of the previous separate agreements that Notting Hill and Genesis had. This new agreement has an initial term of three years with the option to extend for a further two.

Inenco will assist NHG in procuring utility contracts by using established trading practices to scan a wide variety of suppliers in the market and achieve the best value for NHG and its residents. They will also assist us in making sure that the invoices we receive, and pay, are being charged at the correct contractual rates to avoid situations where our residents are overcharged.

New energy supply agreements

With that brokerage agreement in place, we are now looking to use the brokerage service to procure new utility supply agreements.

Since the merger in April 2018 we have operated two separate sets of contracts for Genesis and Notting Hill under the different broker agreements inherited from these two organisations. We now wish to negotiate single long-term agreements for utilities to achieve the best value which reflects our large property portfolio.

Notting Hill Home Ownership
Bruce Kenrick House
2 Killick St, London, N1 9FL

Phone 020 3815 0000
Fax 020 3815 0005
Email info@nhhg.org.uk

To achieve this, our broker Inenco will be instructed to identify optimal times to enter into new agreements with suppliers so that NHG and our residents can benefit from dips in the market and our significant buying power.

Consultation on these new agreements

As a landlord we are required to consult certain customers prior to entering into contracts of a certain length or under which residents would be expected to contribute a certain amount as a service charge. Such agreements are known as a Qualifying Long Term Agreement (QLTA) and the consultation requirement is enshrined in Section 20 of the Landlord and Tenant Act 1985.

The utility broker agreement is not considered a QLTA for which consultation is required because, despite the length of the contract, the cost of the services is not of a value that would require consultation. However, any energy supply agreement would be considered a QLTA if the term of that agreement exceeded 12 months.

Because energy is a commodity traded on the wholesale market with prices changing minute by minute, competitive quotations for energy are only held open for a matter of hours. This prevents any landlord from providing estimates to residents for a consultation because those estimates are not valid for the length of time required to meaningfully consult.

Seeking dispensation

Purchasing energy from the wholesale market is the best way to obtain the most competitive pricing and is therefore of benefit to residents. With the freedom to access this market at the most opportune time we can access the best prices that would otherwise not be possible if the full consultation process for a QLTA were to be delivered.

Because we are unable to consult for the proposed energy supply agreements, and because not doing so will in fact be of benefit to residents, we will apply to the First Tier Tribunal (FTT) for permission to dispense with the consultation regulations for those agreements.

We will ask the FTT for permission to enter into such agreements, if we are advised to do so by our broker, for the duration of the brokerage agreement. But please note, dispensing with the consultation requirements, in no way diminishes the right to challenge any other aspect of a service charge.

Influencing our plans

When we file our application with the FTT for dispensation, we will provide you with a copy but we first wish to give interested residents the opportunity to submit observations concerning our intentions.



These observations can be sent by post to the following address quoting your customer reference number:

Home Ownership - Energy Supply Agreements
Bruce Kenrick House
2 Killick Street
London N1 9FL

However, preferably at this time we request that all be sent by email to:

Observations must be received by no later than 30 April 2021 as after that date we will proceed to file our application for dispensation.

Yours sincerely,