

Date: 27 July 2021

**IN THE LEASEHOLD VALUATION TRIBUNAL**

**IN THE MATTER OF Section 20ZA Dispensation for Long  
Term Agreements for the supply of gas and electricity to  
Tenants and Leaseholders in the Greater London and  
surrounding counties**

**BETWEEN**

**(1) NOTTING HILL GENESIS**

**(2) NOTTING HILL HOME OWNERSHIP LIMITED**

**Applicants**

**and**

**(3) THE TENANTS AND LEASEHOLDERS OF THE 37,335  
PROPERTIES CHARGED FOR GAS AND ELECTRICITY  
WITHIN THE AREAS OF GREATER LONDON AND  
SURROUNDING COUNTIES**

**Respondents**

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**WITNESS STATEMENT OF LAURA SHELLARD**

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I, Laura Shellard, Head of Energy and Sustainability of Notting Hill Genesis at Bruce Kenrick House, 2  
Killick Street, London, N1 9FL **STATE AS FOLLOWS:**

1. I am the Head of Energy and Sustainability of Notting Hill Genesis. I make this statement in support of the Application for dispensation of the consultation requirements imposed by Section 20 of the Landlord and Tenant Act 1985 (as amended) in respect of Long Term Agreements for Gas and Electricity supply.
2. The facts and matters set out in this statement are within my own knowledge unless otherwise stated, and I believe them to be true. Where I refer to information supplied by others, the source of the information is identified; facts and matters derived from other sources are true to the best of my knowledge and belief.
3. The Applicants are part of Notting Hill Genesis, which was formed in April 2018 comprising Notting Hill Housing and Genesis Housing Association. Notting Hill Genesis is also the trading name of Notting Hill Home Ownership Limited. Notting Hill Genesis, through its subsidiaries, manages approximately 66,000 properties.

4. In 2019 it was decided that it would be desirable for the Applicants to enter into new agreements with an energy broker and to use that broker to procure utility supply agreements. Since its merger in April 2018, the Applicants have operated on two separate sets of contracts for each legacy organisations but the Applicants are now looking to negotiate a single set of agreements for utilities. Those existing contracts expired on 31 March 2021.
5. The Applicants are obliged to comply with Public Procurement Regulations. One aspect of this obligation is that a standstill period of ten days must be allowed between the notification of bidders of the decision to award the contract and signing the contract with the successful bidder. The energy market does not operate in this way as bids are requested and contracts signed within a twenty-four-hour period for a fixed price contract or otherwise by 4pm on the date issued. The only way to reconcile these two constraining obligations is to use a third party intermediary ("TPI").
6. The Applicants entered into a TPI partnership with Inenco Group Limited as our Broker with an initial period of 3 years with an option to extend by a further 2 years to provide expert utility consultancy and invoice validation services. Entering into this partnership will allow the Applicants to take the desired longer term, strategic approach in purchasing energy on behalf of its residents and business. Inenco will assist the Applicants in ensuring that the utility contracts we enter into are best value for our residents by using established trading practices and account management services. Their work 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 being overcharged.
7. However, like any TPI, Inenco will approach the marketplace to obtain bids from energy companies to supply gas and/or electric across all of the properties within Notting Hill Genesis.
8. Due to the nature of the energy market the Applicants are unable to follow the formal Section 20 Consultation procedure in order to comply with the Public Procurement Regulations. The purpose of fixing a unit price for the supplier of gas and electricity is to the benefit of all the Residents who will be able to take advantage of the Group's purchasing power and economies of scale. By using a TPI to buy gas and electricity through the wholesale energy market, the Applicants are complying with best practice.
9. The nature of the Long Term Agreements mean that it is not reasonably practicable for the Applicants to give the required information at the notice of proposal stage of the consultation process and also to have regard to the Resident's observations as generally there has to be acceptance of prices offered in a small window of time. It is therefore not possible to act in the Resident's best interests as required by the Public Procurement Regulations whilst following the Section 20 Consultation procedure.
10. For the immediate future the Applicants do not intend to enter into a utility supply agreement which would amount to a QLTA. Instead it has entered into a single-year agreement for the period from 01 April 2021 until 31 March 2022. But it does intend to enter into such a qualifying long term agreement for terms during the remainder of the brokerage contract.

11. I can confirm that the 37,335 Residents named as Respondents to this application have gas or electric supply for communal heating and/or electricity supply for communal lighting.
12. The Applicants completed their consultation of their Home Ownership and Care Residents and Support Residents in June 2021 and their remaining Housing residents in July 2021. A sample of the consultation letters sent by the Applicants to their Home Ownership and Care and Support Residents is enclosed with this Statement ("Exhibit LS1") and the consultation letters sent to the Applicant's remaining Housing Residents are in substantially the same form. The letters advise Residents of the proposed dispensation application, the reasons behind it and the effect on the consultation process. A list of the addresses of the Respondents to whom the letters have been sent to is enclosed ("Exhibit LS2").
13. All Residents have, of course, been invited to comment on the proposed contract and the imminent application. The Applicants have received a number of responses from the Residents and are continuing their ongoing effort to effectively communicate and engage with the Residents in order to alleviate any concerns that they may have.
14. The Applicants confirm that they will respond to any future observations received. The Applicants also intend to send a letter to the Residents following issue of the application to the Tribunal. The letter will advise the Residents that the application has commenced and invites Residents to contact the Applicants should they wish to be supplied with a full copy of the application and its accompanying documents. In addition to the above, the Applicant will:
  - Advertise the application on its website;
  - Publish the outcome of the application on its website; and
  - Publish the outcome of the procurement exercise on its website.

In view of the significant number of Respondents, we would invite the Tribunal to be conscious of the logistical challenges involved in notifying upwards of 37,000 Respondents of the application should we be required to notify/send letters and copies of the application to each Respondent. The Applicants are, of course, mindful not to prejudice any of the Respondents, therefore we trust the Tribunal will make appropriate provision for notifying the Respondents taking the above bullet points into account.

15. I respectfully suggest that the Applicants are acting in line with best practice by managing the risk of dealing with the volatile nature of the energy markets. I also suggest that this proposal is in the best interest of all of the Residents.

**Statement of truth**

I believe that the facts stated in this witness statement are true

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**Name: Laura Shellard**

On behalf of: The Applicant  
Name of witness: Laura Shellard  
Date: 27 July 2021

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ELECTRICITY WITHIN THE AREAS OF GREATER  
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**Respondents**

**WITNESS STATEMENT OF  
LAURA SHELLARD**

Devonshires Solicitors LLP  
Solicitors for the Applicant  
30 Finsbury Circus  
London EC2M 7DT  
DX 33856 Finsbury Square  
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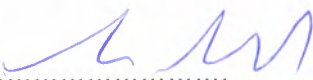
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**EXHIBIT TO WITNESS STATEMENT OF  
LAURA SHELLARD**

This is the Exhibit marked "LS1" referred to in the Witness Statement of Laura Shellard dated this 27th day of July 2021

Signed ..... 

Devonshires Solicitors LLP  
Solicitors for the Applicant  
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**EXHIBIT TO WITNESS STATEMENT OF  
LAURA SHELLARD**

This is the Exhibit marked "LS2" referred to in the Witness  
Statement of Laura Shellard dated this 27th day of  
July 2021

Signed .....

Devonshires Solicitors LLP  
Solicitors for the Applicant  
30 Finsbury Circus  
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