

## **Revealed: The huge difference in energy rates paid by Yorkshire councils - which could cost taxpayer millions**

New research shared exclusively with The Yorkshire Post shows councils in Yorkshire are paying hugely differing rates for energy, potentially costing the public millions.



Box Power CIC, a non-profit energy consultancy, submitted freedom of information requests to 300 local authorities and a number of other public bodies, asking for data on their gas and electricity usage between April 1 2023 and March 31 2024, as well as what they paid, in order to calculate an average rate for each unit consumed.

The data showed the per unit cost of energy bought by **Yorkshire** authorities was more expensive than any other region in the UK. The average price local authorities in Scotland paid for gas - where energy was cheapest - was 6.2 pence per kilowatt hour (p/p/kwh). The average price Yorkshire authorities paid for gas was double that, at 12.4p/p/kwh.

**City of York Council** appeared to be paying much higher rates than many other public bodies in the country during the time period. They paid 49.5p/p/kwh of electricity used, for a total of £3.9m, and 15.1p/p/kwh for gas, for a total of £1.6m.

In comparison, **Leeds City Council** paid 25.7 p/p/kwh for electricity and 6.3 p/p/kwh for gas - making it the only Yorkshire council to pay less than the national average per unit for both, which was 33.3 p/p/kwh for electricity and 8.6 p/p/kwh for gas.

Debbie Mitchell, Director of Finance for York Council, said: “In 2023, energy prices were historically high nationally, due to domestic and international factors. We have since seen a reduction in costs and forecasts are for these prices to continue to fall in the short-term. In April 2024, our gas price reduced to 3.16p/kW.

“City of York Council purchases energy through the Yorkshire Purchasing Organisation (YPO) who use a competitive tender process to achieve the most advantageous price and service. We are satisfied that this arrangement has provided value for money for the Council.”

The YPO has established purchasing frameworks for public procurement of many services, including energy, which local authorities are able to purchase through.

Their spokesperson refused to confirm who their customers were on grounds of commercial sensitivity. However, they added: “This data does not correlate with the data we hold for our framework, which is a fully compliant solution for public sector organisations, with value at its heart.

“We are committed to transparency, value and supply.”

To ensure economies of scale were not responsible for the pricing discrepancies, Box Power compared usage across councils and discovered a huge disparity between prices.

Kirklees Council bought 33,609,775kwh of gas for £6,546,075 (19.5p/p/kwh) whereas Portsmouth City Council bought 34,996,452kwh of gas for £2,435,955 (7p/p/kwh), meaning the Yorkshire council paid almost 180% more per unit than Portsmouth.

A spokesperson for Kirklees Council told The Yorkshire Post that its agreement with YPO ends at the end of this financial year. It has already changed its electricity supplier to Crown Commercial Services (CCS), a procurement organisation run by central government, and has signed up to receive gas from CCS’s framework from April 2025.

Corin Dalby, CEO of Box Power CIC, says: “These are an interesting set of findings for councils in Yorkshire to say the least.

“Box Power CIC are putting these results in the public domain because we want to bring more transparency and value into the sector when it comes to energy buying.

“When you consider that some local authorities also buy energy for the schools, leisure centres and more in their area who trust them to deliver the best value for money, the hugely different amounts paid raise some important and difficult questions.

“Without the transparency enabled by our Box Power CIC Performance Table, both the public and other organisations would still have no idea about these price disparities.

“We will continue to call for greater transparency and openness within the energy market, so that taxpayers can hold their local authorities to account and so it is clear if public money is being spent effectively.”