

**Manchester City Council  
Report for Information**

**Report to:** Council – 2 October 2024

**Subject:** Urgent Key Decisions

**Report of:** The City Solicitor

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**Purpose of report**

To report those key decisions that have been taken in accordance with the urgency provisions in the Council's Constitution.

**Recommendation**

To note the report.

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**Wards affected:** All

<b>Environmental Impact Assessment</b> - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city
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N/A
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<b>Our Manchester Strategy outcomes</b>	<b>Contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	N/A
A highly skilled city: world class and home-grown talent sustaining the city's economic success	N/A
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	N/A

A liveable and low carbon city: a destination of choice to live, visit, work	N/A
A connected city: world class infrastructure and connectivity to drive growth	N/A

**Full details are in the body of the report, along with any implications for**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

**Financial consequences for the Revenue budget:**

None

**Financial consequences for the Capital Budget:**

None

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**Background documents:**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

None.

## **1. Background**

- 1.1 The Constitution (Overview and Scrutiny Procedure Rules) establishes a procedure for dealing with key decisions where action needs to be taken immediately for reasons of urgency and is therefore not subject to the normal call-in arrangements.
  - 1.2 The procedures states that the chair of the appropriate scrutiny committee must agree that both the decision proposed is reasonable in all the circumstances, and to it being treated as a matter of urgency.
- 2.** Such decisions are to be reported to the Council.

### 3. Urgent Key Decisions taken since the last meeting of Council

3.1 A list of key decisions requiring exemption from the call-in procedure that have been taken since the last meeting of Council is listed below.

Date	Subject	Reason for urgency	Decision Taken by	Approved by
28 June 2024	To award a contract to purchase a digital workplace solution.	Protracted negotiations have been underway with the software supplier in relation to renewal of licence costs; this has resulted in a late favourable agreement being reached. However, and is favourable to the Council. The negotiations are commercially sensitive, and a delay in decision making may compromise critical services. It is for these reasons; this contract award be exempt from the call-in procedure.	Deputy Chief Executive	Councillor A Simcock – Chair of Resources and Governance Scrutiny Committee
30 April 2024	To call off fixed term contracts for the supply of electricity and related services to MCC's corporate estate (including street lighting) and for associated organisations (eg Manchester schools) who utilise Manchester City Council's energy frameworks. This will be a direct award on the council's framework for the supply of electricity and related services (TC970)	<p>Energy market continue to display volatility and therefore fixed contract pricing can be withdrawn by suppliers within the same day of being provided. In order to obtain the best pricing for Manchester City Council it is required that we be able to sign off on prices submitted by the supplier at short notice (within day).</p> <p>It should be noted that the framework, which this contract will call off from, underwent the full key decision process with associated 28 days key decision publication and a 5 working day call in periods (2023/06/14A)</p> <p>The Energy Management Unit accesses wholesale market information and market intelligence insight from a number of sources including the Energy Information Centre (EIC). The underlying</p>	City Treasurer	Councillor A Simcock – Chair of Resources and Governance Scrutiny Committee

		<p>fundamentals of the electricity wholesale market show that the current wholesale market price (02/08/2024) to be £84MWh. The proposed call off contracts are fully reflective of this wholesale position and compare favourable to the current (outgoing) contract which was based on a then higher wholesale position of £113/MWh.</p> <p>At the present time, a strong gas storage position in the EU and lower demand through China are acting to suppress the UK electricity price. By contrast however, there are a number of other factors potentially driving up the market, wars in Ukraine and the middle east, lowering of global interest rates, fiscal stimulus measure in China, Russian sabotage of electricity interconnectors and a potential change in the American administration threatening to add levies to US Liquefied Natural Gas (LNG) exports. As a consequence, the likelihood of market upside currently outweighs the chances of prices falling medium term.</p> <p>For the above reasons it is recommended that the Council's electricity requirements for the period 1<sup>st</sup> October 2024 to 30<sup>th</sup> September 2025 be secured as soon as possible.</p>		
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