



**REPORT TO CABINET MEMBER FOR DECISION**

<b>Open/Exempt</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Mandatory/	(a) Be entirely within cabinet's powers to decide YES/NO		
	Discretionary /	(b) Need to be recommendations to Council		YES/NO
	Operational	(c) Is it a Key Decision		YES/NO
Lead Member: Cllr Adrian Lawrence E-mail: cllr.adrian.lawrence@west-Norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Duncan Hall E-mail: Duncan.Hall@West – Norfolk.gov.uk Direct Dial: 01553 616445		Other Officers consulted: Ray Harding – Chief Executive Tony Hague – Procurement Officer		
Financial Implications YES/NO  Yes	Policy/Personnel Implications YES/NO  Will support the HECA strategy	Statutory Implications YES/NO  Will support the HECA strategy	Equal Impact Assessment YES/NO If YES: Pre-screening/ <del>Full</del> Assessment	Risk Management Implications YES/NO
If not for publication, the paragraph (s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s).				
Date meeting advertised: 22nd January 2013		Date of meeting decision to be taken: 28th January 2013		
Deadline for Call-In: 4th February 2013				

**TITLE: COLLECTIVE ENERGY PURCHASING AND SWITCHING SCHEME**

**Summary**

This proposal relates to the creation of a joint collective energy purchasing and switching scheme for households within contract member LA areas.

The scheme will be created and developed to provide householders with easy access to the domestic gas and electricity markets in order to obtain the best deal for their energy requirements.

**Recommendation**

It is recommended that approval is given for the procurement and creation of a scheme in partnership with Breckland District Council and North Norfolk District Council in accordance with the attached Project Plan (Appendix A) and Programme (Appendix B).

**Reason for Decision**

This proposal has been discussed at a joint meeting of the West Norfolk and Breckland Chief Executives with relevant officers in attendance. The proposal is deemed to fall within the delegated authority of the portfolio holder.

## **Report details with appropriate headings**

Appendix C represents a summary of the options available regarding current collective energy purchase and switching schemes on offer in the UK and a Project Plan (Appendix A) is attached highlighting the proposed process for the development and creation of such a scheme for the residents of West Norfolk and other Norfolk LA's.

## **Policy Implications**

The creation of such a scheme will support the Councils Home Energy Conservation Act report required to be submitted to the Department of Energy and Climate Change (DECC) by the 31<sup>st</sup> March 2013 under section 5(1)(b) of the Act outlining what the Council intends to do to address energy conservation in residential properties within its area.

Guidance regarding the preparation of this report suggests that depending upon local priorities and circumstances, authorities may set priorities to address specific needs of their local residents, in particular around fuel poverty, as identified in the Warm Homes and Energy Conservation Act 2000.

## **Financial Implications**

Circa £5k for marketing and communications but it is expected that ongoing income received by way of fees will be used to offset this cost.

## **Staffing Implications**

None

## **Statutory Considerations**

Supports the HECA energy conservation strategy as identified above.

## **Equality Impact Assessments (EIA's)**

Pre-assessment only (Appendix D)

## **Risk Management**

Minimal

## **Background Papers**

iChoosr presentation regarding collective energy switching and the benefits for residents is attached.

Signed: .....

Cabinet Member for .....

Date .....

## BCKLWN & BDC Collective Switching Scheme Project Plan

## Appendix A

### Summary

The Borough Council of King's Lynn and West Norfolk and Breckland District Council are seeking to develop and procure, in partnership, a collective switching scheme for residents throughout each local authority area. This project will allow the marketing of locally branded schemes that will enable householders to easily engage with the gas and electricity market in order to obtain the best deal for their energy requirements.

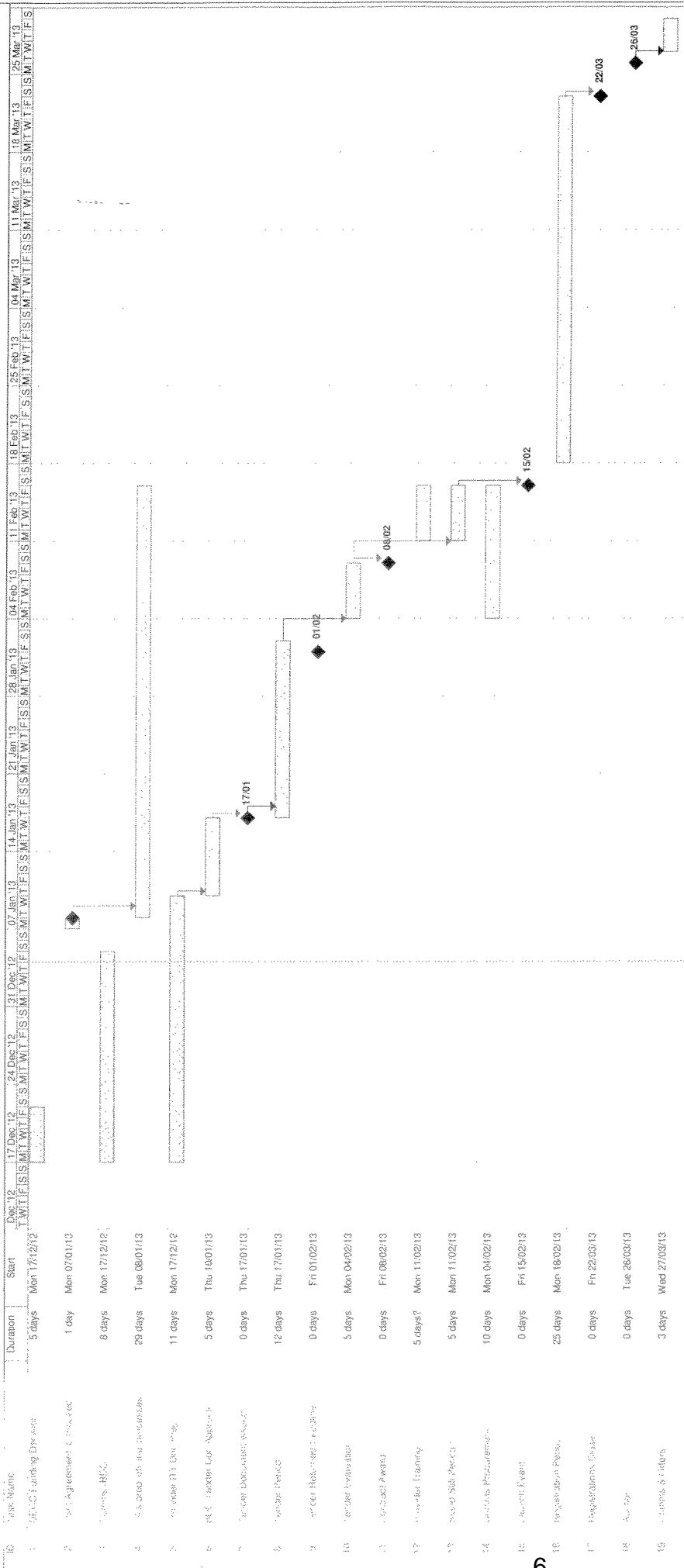
This project will also provide a vehicle for other Norfolk authorities who would wish to join this scheme at any point in the future.

Activity	Lead Authority	Timescale	Risks/Benefits/Comments
<b>Note:</b> DECC Funding – should additional resources be forthcoming then the relevant LA can consider more substantive communications and marketing activities	BCKLWN BDC	Confirmation estimated wc 17/12/12	
Agreement to proceed – a decision by both authorities as to whether to proceed will be achieved by way of a joint meeting	Joint	wc 07/01/13	Should either LA decide not to proceed the remaining LA may progress utilising all relevant project material
Communications Plan – BDC will develop a project communications plan for both LA's and will liaise with BCKLWN Comms Dept as necessary. This plan will be developed with the inclusion of marketing materials co-ordinated with the Norwich City collective switching scheme so as to minimise any development costs and to ensure that the opportunities for a consistent county brand are retained	BDC	wc 17/12/12	Norwich City have confirmed that they will provide marketing templates for use by this project  Development of the Comms Plan will need to proceed 'at risk' prior to formal agreement to proceed in order to meet the project timeline

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<p>Procurement – BCKLWN will create a tender document for the procurement of a collective switching provider. This document will be fully compliant and will allow for the inclusion of other authorities who may wish to join at a later date</p> <p>BCKLWN will facilitate and manage the procurement process</p>	BCKLWN	wc 17/12/12	<p>BCKLWN Procurement will liaise with BDC in order to ensure that the RFQ criteria are agreed</p> <p>Development of the tender document will need to proceed ‘at risk’ prior to formal agreement to proceed in order to meet the project timeline</p> <p>Norwich City have provided a copy of their tender document for reference</p>
<p>Marketing – marketing will be undertaken in accordance with the broader Comms Plan and will be managed in each LA. Estimated marketing costs will be identified in the Comms Plan and each LA may procure necessary comms and marketing materials individually once agreement to proceed has been obtained. Where possible joint purchasing can be considered to provide further economies</p>	BCKLWN BDC	Completed by 08/02/13	<p>Marketing materials will be finalised and agreed between both LA’s and co-ordinated with the Norwich City marketing material</p> <p>Joint procurement of marketing materials may achieve further savings</p>
<p>Registrations – each LA will develop a process for providing assistance to those ‘off line’ residents and will share best practice and ideas in order to minimise resources and maximise engagement</p>	BCKLWN BDC	wc 11/02/13	Both LA’s have differing resources such as contact centres etc however best practice and ideas will be exchanged
<p>Co-ordination – both LA’s will facilitate regular meetings to review the success of the scheme and will co-ordinate other LA interest and participation</p>	BCKLWN BDC	ongoing	BCKLWN Procurement will ensure that other LA’s are afforded the opportunity to join the scheme at any stage

BCKLWN & BDC  
Collective Switching Scheme



Blue - BCKLWN  
Red - BDC  
Green - Joint

## BCKLWN & BDC Collective Switching Scheme – UK Providers

## Appendix C

Option / Provider	LA Partners	Summary / Comments
iChoosr	<p>Norwich Oldham South Lakeland</p> <p>Peterborough Scheme (see below)</p>	<p>iChoosr are the UK's leading provider and are currently working with a number of LA's. Their standard terms are for a three year contract and fee income can be pre-negotiated or based upon auction results.</p> <p>In the case of Norwich iChoosr were the only respondent to the ITT for provider services.</p> <p>Typical fee income for individual LA's are generally circa £5 - £6 for single fuel switch and £10 - £12 for dual fuel switching.</p> <p>iChoosr have an established IT platform that allows individual LA websites to be branded and also have back office support for IT difficulties.</p> <p>iChoosr rely on LA's marketing the scheme locally and ensuring that mechanisms in place for dealing with 'off line' registrations.</p> <p>Upon auction completion iChoosr email all residents who registered on line. Hard copy offers to all 'off line' registrations issued to LA's by iChoosr for LA's to post onward.</p> <p>To date it is believed that no offers have been forthcoming from energy companies via auctions for pre-payment meter clients.</p> <p>SME's not provided for by iChoosr at present.</p> <p>iChoosr provide limited training for LA's.</p>

Peterborough City Collective Switching Scheme	<p>Blackpool Bolton Cheshire West &amp; Cheshire Havering Hertfordshire Hull Luton Manchester City Northumberland Peterborough South Holland Stockport Suffolk Coastal Trafford Waveney Wiltshire</p>	<p>iChoosr were selected as preferred provider (circa 3 respondents to ITT).</p> <p>Scheme advertised as including prepayment meters however auction postponed and results not known until 29<sup>th</sup> January 2013.</p> <p>Current registrations (03 Jan 2013) 15,386</p> <p>Scheme advertised as including SME's however no mechanism provided as yet and not included in current auction.</p> <p>A joining fee of £4,500 applies to any LA's wishing to join relating to Peterborough City Council opinion, legal &amp; procurement fees and training.</p> <p>Fee income paid to individual LA's not known but believed to be as per typical fees above.</p> <p>Larger portfolio of members hence offers by energy suppliers should be more generous.</p> <p>Poor first round response hence auction postponement and scheme less local with more of a national approach.</p>
uswitch.com	Cornwall (county wide scheme)	<p>uswitch offer a service whereby they will partner with LA's and undertake all services including marketing of the scheme etc.</p> <p>It is understood that Broadland DC approached uswitch regarding the delivery of a collective switching scheme and were quoted a fee of circa £200k for the service. This was apparently subsequently reduced to circa £170k.</p> <p>No further detail has been obtained at this stage.</p>



Others		Other potential providers are monitoring the marketplace with a view to creating schemes should they be commercially viable. These include commercial organisations and charities etc.
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Some additional sources of information and commentary regarding collective switching are detailed below.

<http://www.thepeoplespower.co.uk/energy/is-uk-switched-on-to-collective-switching>

<http://www.decc.gov.uk/en/content/cms/funding/collectpurch/collectpurch.aspx>

<http://www.guardian.co.uk/environment/2012/apr/27/collective-switching-energy-market>

6 <http://metro.co.uk/2012/11/07/is-collective-switching-the-answer-to-the-rising-cost-of-heating-our-homes-614948/>

<http://www.energylinx.co.uk/news/2012/12/new-collective-switching-campaign-lost-c.html>

**Pre-Screening Equality Impact Assessment**

**Appendix D**



Name of policy/service/function	Collective Energy Purchase & Switching Scheme				
Is this a new or existing policy/service/function?	New / <del>Existing</del> (delete as appropriate)				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	<p>To procure and create a collective energy purchasing and switching scheme for all households within West Norfolk. This scheme will be created and developed to provide householders with easy access to the domestic gas and electricity markets in order to obtain the best deal for their energy requirements.</p> <p>This will also support the Councils aims to reduce fuel poverty.</p> <p>The scheme will be created to afford access to all households across West Norfolk.</p>				
<b>Question</b>	<b>Answer</b>				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups <b>according to their different protected characteristic</b>, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
Age				✓	
Disability				✓	
Gender				✓	
Gender Re-assignment				✓	
Marriage/civil partnership				✓	
Pregnancy & maternity				✓	
Race				✓	
Religion or belief				✓	
Sexual orientation				✓	
Other (eg low income)				✓	

Question	Answer	Comments
<p><b>2.</b> Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?</p>	Yes/ No	
<p><b>3.</b> Could this policy/service be perceived as impacting on communities differently?</p>	Yes/ No	
<p><b>4.</b> Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</p>	Yes / No	
<p><b>5.</b> Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?  If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	Yes / No	<p><b>Actions:</b>  No negative impacts upon any groups with protected characteristics under the Equality Act 2010.</p> <hr/> <p><b>Actions agreed by EWG member:</b> .....GJH.....</p>
<p><b>Assessment completed by:</b> <b>Name</b></p>	Gordon Jackson-Hopps	
<p><b>Job title</b></p>	Senior Housing Standards Officer	
<p><b>Date</b></p>	9 <sup>th</sup> January 2013	

**Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.**