

Decision under Delegated Powers

Officer Requesting Decision

Jacky Oughton, Housing Projects Officer

Officer Making the Decision

Alison Simmons – Head of Strategic and Private Sector Housing

Recommendation

That the Memorandum of Understanding (MoU) from East Riding of Yorkshire Council (ERYC), adding Charnwood Borough Council to the contract with iChoosr is signed.

Reason

On the 17th January 2019 Cabinet resolved (Minute number 78) that participation in a Collective Switching Scheme be approved and that the Council go to the market to procure a suitable provider.

To assist residents in the Borough to switch energy suppliers to achieve lower energy tariffs through the Collective Switching Scheme.

Authority for Decision

Section 8.3 – Delegation of the Council's Constitution allows for the Delegation to the Chief Executive, Strategic Directors and Heads of Service: To sign contracts up to the value of £50,000 entered into on behalf of the Council in the course of the discharge of a Council function.

Decision and Date



Alison Simmons
Head of Strategic and
Private Sector Housing

25th July 2019

Background

On the 17th January 2019 Cabinet considered a report of the Head of Strategic and Private Sector Housing to consider the development of a Collective Switching Scheme in Charnwood to assist residents in the Borough to switch energy suppliers to achieve lower fuel tariffs.

Collective Switching is where a Community Champion, such as the Council, supports residents of the Borough to switch energy suppliers and obtain lower fuel tariffs, and thereby saving them money on their energy bills.

The purpose of having a Community Champion is to give people the trust, confidence and support to switch, particularly when some may distrust the energy companies and are confused by the process.

In areas that have embarked on Collective Switching the elderly make up a large number of those who switch as they are less likely to search on line for better deals.

Residents on prepaid meters who can often find switching difficult can be included in the Scheme. Those customers in fuel debt are currently eligible to switch up to £500 of debt. Residents can switch one fuel (gas or electric) or dual fuel and can choose to have paper bills or to manage their accounts on line.

Auctions are run 3 times a year, in October, February and May, these include all Collective Switching Schemes from across the Country, thereby maximising numbers and making it more attractive to suppliers. A downward Auction takes place, with energy companies outbidding each other with lower tariffs.

Once the price is fixed residents still have a choice of whether to proceed and sign up with a new supplier or not.

To date the average saving for customers who have switched is £243 a year. For someone on a low income and in fuel poverty this can be a significant saving to a household's budget.

There is no cost to the resident for either registering for the Scheme or for switching fuel suppliers.

Cabinet resolved that participation in a Collective Switching Scheme be approved and that the Council go to the market to procure a suitable provider.

Following a market test exercise it is apparent there is only One Collective Switching Services Framework contract that the Council can access.

The Contract Compliance Officer has approved a request to waive contracts procedure rules in respect of procuring Collective Energy Switching Services from iChoosr by accessing the East Riding of Yorkshire Council framework contract dated 5th February 2019.

A contract between East Riding of Yorkshire Council and iChoosr is in place and it allows other Local Authorities to access the iChoosr scheme. The Contract was subject to an OJEU compliant process.

The contracted partner iChoosr pays the Council a fee for each household that switches provider.

Risk Management

There are no risks associated with this decision

Key Decision: No

Background Papers: Cabinet Report – 17th January 2019

