

Chichester District Council

THE CABINET

7 March 2017

Sussex Energy Tariff

1. Contacts

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2. Recommendation

- 2.1. That the Head of Housing and Environment Services, following consultation with the Cabinet Member for Housing and Environment Services, be authorised to sign a letter of commitment for West Sussex County Council regarding Chichester District Council's participation in the Sussex Energy Tariff.**

3. Background

- 3.1. Chichester District Council (CDC) is a partner in Your Energy Sussex (YES). West Sussex County Council (WSSCC) is leading a project, on behalf of the partnership, to procure an Energy Supply company to deliver a Sussex Energy Tariff available to residents and businesses from late 2017. As part of the procurement WSSCC is asking all partners to indicate their support for the scheme by providing a letter of commitment, which is in the appendix hereto.

4. Outcomes to be Achieved

- 4.1. YES partners expect the Sussex Tariff to deliver the following outcomes:

- reduction in the number of householders in or at risk of fuel poverty;
- support for the local economy;
- help in meeting local carbon reduction and renewable energy targets;
- increased investment in local energy generation;
- the latest Smart metering technology for customers;
- influence over the types of tariffs on offer, tailored to maximise the benefit for customers in the area;
- support for job creation, training and apprenticeships;
- income generation to cover costs - cost neutral to the Partnership;
- use surplus income to establish a local fund to support energy and fuel poverty projects; and
- access to energy consumption and demographic data in order to identify and target further projects

- 4.2. The existing YES Board, which includes a CDC representative, will monitor the performance of the contract once it is let.

5. Proposal

- 5.1. It is proposed to utilise the greater trust in a local authority partnership to encourage residents, particular those who have never or only very rarely switched energy suppliers, to switch. This group is most likely to save money by doing so. Reduced energy costs will help tackle fuel poverty and improve the local economy by increasing disposable income. Beneficiaries will include district residents who are able to save money by switching.
- 5.2. Procurement of a delivery partner on behalf of YES will be undertaken by WSCC. In order to support the procurement process, all the District and Boroughs across West and East Sussex have been asked to indicate their willingness to support the scheme by providing a letter of commitment. A draft has been circulated (see the appendix) which commits CDC to making free or low cost publicity and communication channels available to promote the scheme and to refrain from promoting other energy tariffs.
- 5.3. WSCC is asking for letters of support by the end of March 2017, when the OJEU procurement will begin. The intention is that WSCC will award the contract in July and all partners will then prepare for the launch of the scheme in the winter of 2017-2018.

6. Alternatives Considered

- 6.1. The main alternative is not to participate and to risk reduced take up compared to other areas, and hence reduced benefits for our residents. A scheme just for Chichester District has not been considered as it would not generate the scale of customer referrals necessary to sustain a scheme.

7. Resource and Legal Implications

- 7.1. No direct financial contribution is required – commitment will be of staff time and existing promotional methods and resources.
- 7.2. The procurement process will be undertaken by WSCC – and they will hold the contract – our role will be to promote the scheme.
- 7.3. A small amount of existing staff time will be needed later in the year to help promote the scheme to residents. This can be found from within existing resources.

8. Community Impact and Corporate Risks

- 8.1. The main community impact is to encourage householders to switch energy tariffs in order to save money and energy. For those who switch this will help support local energy generation, including renewable energy generation.
- 8.2. The main corporate risk is that, in backing the tariff, customer service then becomes substandard with complaints reflecting back to CDC. However the

procurement specification requires the energy provider to be in the top 25% for customer service according to *Which?* customer surveys for each year of the 5-year contract. This allows for the arrangement to be terminated should there be a deterioration in customer service standards.

- 8.3. A further risk relates to the need to maintain a reasonable level of marketing effort across all partners to promote the scheme and ensure its success.
- 8.4. CDC is not at financial risk as it will not be the contracting partner.
- 8.5. The Tariff will be initially for domestic customers only, with the option to add a tariff for small businesses only from year three. Therefore, support for this scheme will not affect CDC's own energy procurement arrangements.

9. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change the scheme aims to reduce energy consumption within the District.	X	
Human Rights and Equality Impact		X
Safeguarding and Early Help		X

10. Appendix

- 10.1. Draft Letter of Support for the Sussex Energy Tariff.

11. Background Papers

- 11.1. None