

NORTH LINCOLNSHIRE COUNCIL

**ASSET MANAGEMENT, CULTURE AND HOUSING
CABINET MEMBER**

COLLECTIVE SWITCHING SCHEME

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 This report seeks to proceed with the promotion of collective switching using iChooser as the facilitator.

2. BACKGROUND INFORMATION

- 2.1 The Department of Energy and Climate Change (DECC) wrote to all Local Authorities in 2012 encouraging councils to lead and facilitate community energy switching.
- 2.2 iChooser are the UK's leading provider and are currently working with a number of LA's. As an innovative new project there are few alternative models to compare and iChooser are an exemplar in their field.
- 2.3 Lots of people are paying too much for their energy and rising fuel bills can be a real concern. Some people have been reluctant to switch suppliers because they're not sure how to, or they don't have time to compare the different tariffs. Collective switching makes it safe and easy to switch.
- 2.4 Collective switching offers households an opportunity to sign up to a scheme that allows an intermediary to negotiate with energy companies on their behalf in order to secure the householder a discounted energy price.
- 2.5 There is a process of registration for anyone who is interested in switching gas and electricity suppliers. This is managed by a local authority (or other organisation) and anyone living within or outside the local authority boundary may sign up.
- 2.6 Other schemes are available that the council could join but have a registration fee. iChooser offers the same service at no cost to the council and is therefore the preferred facilitator.

- 2.7 Registration for residents interested in obtaining cheaper tariffs commences on 20 August 2013. Once approval has been given for this scheme local area awareness raising will take place.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option One – do not promote the collective switching scheme and therefore do not give residents the opportunity of obtaining the cheapest tariff.
- 3.2 Option Two – promote the collective switching scheme to offer households in North Lincolnshire the opportunity of obtaining cheaper fuel tariffs and assist vulnerable households such as the elderly switch easily through the facilitator iChooser.

4. ANALYSIS OF OPTIONS

- 4.1 Option 1 – this option does not address the issue of rising fuel costs or helping those vulnerable groups to gain access to the cheapest tariffs and therefore help reduce fuel poverty in the North Lincolnshire area.
- 4.2 Option 2 – this option gives all households the opportunity to access the cheapest fuel tariff as well as addressing fuel poverty and the reluctance by some households to seek a cheaper fuel tariff. The council will enter into an agreement with iChooser as the facilitator to maximise the benefits for residents. The council will receive a small remittance for each household that switches which will be reinvested in the publicity scheme, ensuring that no gain-share consequences arise.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 Financial – A collective switching scheme is run at no cost to the community leader (local authority), as the successful supplier pays a fee to the third party facilitator to cover their costs.
- 5.2 Staffing – all staffing implications would be met from internal resources.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 6.1 An Integrated Impact Assessment has been conducted and is available.

7. OUTCOMES OF CONSULTATION

- 7.1 No comments have been received.

8. **RECOMMENDATIONS**

- 8.1 The Cabinet Member approves the scheme.
- 8.2 That the scheme is reviewed in 6 months time and a progress report is brought back to the Cabinet Member.

DIRECTOR OF PLACES

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