

## **OVERVIEW AND SCRUTINY MANAGEMENT BOARD**

**Date and Time :-** Wednesday, 28 November 2018 at 11.00 a.m.  
**Venue:-** Town Hall, Moorgate Street, Rotherham.  
**Membership:-** Councillors Brookes, Cowles, Cusworth, Evans, Keenan, Mallinder, Napper, Sansome, Short, Steele (Chair) Walsh and Wyatt.

This meeting will be webcast live and will be available to view [via the Council's website](#). The items which will be discussed are described on the agenda below and there are reports attached which give more details.

Rotherham Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair or Democratic Services Officer of their intentions prior to the meeting.

### **AGENDA**

#### **1. Apologies for Absence**

To receive the apologies of any Member who is unable to attend the meeting.

#### **2. Declarations of Interest**

To receive declarations of interest from Members in respect of items listed on the agenda.

#### **3. Questions from Members of the Public and the Press**

To receive questions from members of the public or press who are present at the meeting.

#### **4. Exclusion of the Press and Public**

To consider whether the press and public should be excluded from the meeting during consideration of any part of the agenda. Item 5 has an exempt appendix. Therefore, if necessary when considering that item, the Chair will move the following resolution:-

That under Section 100(A) 4 of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006.

### **Items for Pre-Decision Scrutiny**

In accordance with the outcome of the Governance Review in 2016, the following items are submitted for pre-scrutiny ahead of the Cabinet meeting on 17 December 2018. Members of the Overview and Scrutiny Management Board are invited to comment and make recommendations on the proposals contained within the report.

#### **5. Community Energy Switching Scheme (Pages 1 - 22)**

Cabinet Portfolio:-	Jobs and the Local Economy
Strategic Directorate:-	Regeneration and Environment

#### **For Discussion/Decision:-**

#### **6. Universal Credit Roll Out in Rotherham (Pages 23 - 30)**

Report of the Strategic Director of Adult Care, Housing and Public Health

#### **For Information/Monitoring:-**

#### **7. Youth Cabinet/Young People's Issues**

To receive an update on the activities of the Youth Cabinet and other Young People's Issues.

#### **8. Work in Progress - Select Commissions**

To receive updates from the Chairs of the Select Commission on work undertaken and planned for the future.

#### **9. Call-in Issues**

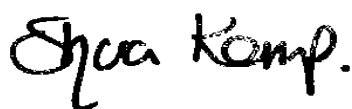
To consider any issues referred for call-in from the Cabinet meeting held on 19 November 2018.

#### **10. Urgent Business**

To determine any item which the Chair is of the opinion should be considered as a matter of urgency.

#### **11. Date and time of next meeting**

The next meeting of the Overview and Scrutiny Management Board will be held on Wednesday 12 December 2018 at 11.00 a.m. in Rotherham Town Hall.



SHARON KEMP,  
Chief Executive.

Public Report  
Overview and Scrutiny Management Board

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## **Summary Sheet**

### **Name of Committee and Date of Committee Meeting**

Overview and Scrutiny Management Board – 28 November 2018

### **Report Title**

Community Energy Switching Scheme

### **Is this a Key Decision and has it been included on the Forward Plan?**

Yes.

### **Director Approving Submission of the Report**

Paul Woodcock, Acting Strategic Director of Regeneration and Environment

### **Report author(s):**

David Rhodes, Environment, Energy and Data Manager  
01709 254017 or david.rhodes@rotherham.gov.uk

### **Wards Affected**

All

### **Executive Summary**

This proposed community energy switching scheme would be open to all Rotherham residents and would reduce the number of households paying high tariffs for gas and electricity and reduce fuel poverty. Although the scheme would be open to all residents it should be particularly beneficial too hard to reach and vulnerable tenants that are generally the groups that need the greatest support to identify and change to a cheaper tariff. Residents could save around £200 to £300 per year in an average 3 bedroom semi-detached houses.

A Community Energy Switching Scheme report was discussed at the former Cabinet and Commissioners' Decision Making Meeting on 9 July 2018. At this meeting Cabinet agreed that a feasibility study be undertaken and this report be brought back to Cabinet for consideration.

Having completed the feasibility study the purpose of this report is to obtain approval to carry out an OJEU procurement process to identify a potential partner to develop a community energy switching scheme and inform a business case that will be developed based on the results of the tender.

## **Recommendations**

1. That Overview and Scrutiny Management Board consider the report and proposed recommendations that will be presented to Cabinet on 17 December 2018 which set out below:-
  - a) That Cabinet approves the OJEU procurement process to identify a potential partner to develop a community energy switching scheme and inform a business case that will be developed, based on the results of the tender. The business case and Tender Evaluation Report will be submitted to Cabinet for approval.
  - b) That Asset Management engages with community groups, voluntary sector groups, Housing and Neighbourhood Services, Customer Information and Digital Services, Communications & Marketing and Equality & Diversity to inform the development of a marketing and communication Strategy.

## **List of Appendices**

Appendix A	Feasibility Assessment Notes and Operating Arrangements of Community Energy Switching Schemes
Appendix B	Initial Equalities Impact Assessment
Appendix C (Exempt)	Financial Feasibility Results and Details of Typical Commission Received.

## **Background Papers**

Community Energy Switching Scheme – Former Cabinet and Commissioners' Decision Making Meeting – 9 July 2018.

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**  
Cabinet – 17 December 2018

**Council Approval Required**  
No

## **Exempt from the Press and Public**

While the main report is an open item, exemption for Appendix C is requested under paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act, as it contains sensitive commercial information with regards to the Council's contracts

## **Community Energy Switching Scheme**

### **1. Background**

- 1.1 A Community Energy Switching Scheme report was discussed at the former Cabinet and Commissioners' Decision Making Meeting on 9 July 2018. Further details were requested to assess the feasibility of developing a scheme and to bring this back to Cabinet for consideration.
- 1.2 Twelve potential community energy switching scheme organisations have been assessed for feasibility through a process of internet searches; telecons and meetings. Feasibility notes and details of operating arrangements are at Appendix A. Financial information and commercial confidential data is at the exempt Appendix C.

### **2. Key Issues**

- 2.1 There are numerous organisations operating community energy switching schemes, many with different methods of operation and management. The Council will need to select a provider and potential partner that provides the best financial and quality option for a new scheme through the procurement process. It is important to note that the Council itself would not obtain any financial benefit from such a scheme in relation to tariff reductions, the beneficiaries would be residents.
- 2.2 The operating arrangements of a scheme should ensure that :-
  - The Council should develop a scheme that offers fair, simple and clear prices and good customer service. The scheme will be open to all Rotherham residents.
  - The Council should receive a commission from the partner organisation selected, this will be used to fund the additional resources required to develop, market and support the scheme in Rotherham. A breakdown of the potential commission to support a scheme is at Appendix C.
  - An initial budget would be required to set the scheme up for marketing, support and operation. Resource requirements include:
    - Community Energy Officer. Responsible for developing, operating, marketing, communication and supporting residents joining the scheme. It is envisaged that 1 officer will be required for year 1 and an additional officer will be required in years 2 and 3 once the scheme expands.
    - Marketing and communication. Promoting the scheme through different media, arranging public marketing events and communicating to all stakeholders.
- 3.3 Initial revenue and cost projections illustrate that any up-front costs should be repaid through the money received from the partner organisation for each meter signed up for a year. However, this is dependent upon the speed of take-up by residents, so there will be a period when revenue funding is required to support the project. Void Council properties would need to be included in the scheme to make it financially viable.

- 3.4 An energy price cap has been proposed by OFGEM based on a typical dual fuel customer on a poor value default tariff. The cap should be set at £1,136 per year and should be confirmed in November and come into effect in December 2018. The cap is expected to save £75 a year on average and more than £120 a year for those on the worst tariffs.
- 3.5 The cap will affect around 11 million households and savings will vary depending on the tariff households are on, the amount of energy used, how it is paid for and the type of fuel used. The level of the cap will be updated twice a year in April and October and will last until 2023 at the latest.
- 3.6 A comparison was carried out on 14 September 2018 to assess the potential savings in addition to the energy price cap. There are hundreds of tariffs and variables so this has been based on:
- A standard variable rate (STR) with paper bills.
  - monthly direct debit payments
  - for a standard 3 bed semi-detached house

Using a comparison website there is a potential saving of:

	Before Cap	After Average £75 Cap
Using the same supplier with a different tariff	£108	£33
Switch using one of the big 6 suppliers	£317	£242
Switch with smaller provider	£383	£308

The comparison shows that significant savings may still be achievable after the cap is introduced.

#### 4. Options Considered and the Recommended Proposal

- 4.1 **Option 1** – Do not develop a community energy switching scheme and let residents manage their own tariff changes through comparison websites such as uswitch, comparethemarket.com or moneysupermarket.com.
- 4.2 **Option 2** - Carry out an information campaign for residents to inform them of the potential savings; comparison sites; the big 6 energy companies; and run specified days at Riverside House (and other Council sites e.g. libraries) to assist residents (especially vulnerable residents) wishing to switch but lacking the confidence, IT knowledge or equipment. This would be a short term support programme.
- 4.3 **Option 3** – Develop a community energy switching scheme. A partner / provider would need to be awarded the contract through a fully compliant OJEU procurement process.

## 4.4 Option considerations:

- Options 1 and 2 would not require additional staffing resources.
- Option 2 would require a marketing budget. This option could be seen to be endorsing energy companies on the comparison websites without knowing a great deal about them. This could result in residents asking for further support and blaming the Council for any failures of energy companies. The Council would need to be careful that residents in receipt of warm home discount do not lose out by switching.
- Option 3 is the recommended option. This would require an initial revenue budget to develop and manage the scheme. This option is preferred as it would provide the greatest continuous benefit the residents of Rotherham and over a 3 year period would be cost neutral to the Council if the projected take up figures are achieved.

## 5. Consultation

- 5.1 Consultation was carried out with Housing & Neighbourhood Services. A concern was raised about including void Council properties and the benefits of a future scheme compared to current arrangements. The Voids Team will need to be involved in developing the scheme criteria used in the procurement process.

## 6. Timetable and Accountability for Implementing this Decision

- 6.1 If approval is given to the recommendation as presented above, this will be actioned immediately and the criteria developed and procurement process instigated.
- 6.2 The OJEU procurement process can take at least 6 months to complete. On completion of the bid evaluation a Tender Evaluation Report will be taken to Cabinet for award approval.
- 6.3 Estimated time frame to launch a community energy scheme if approved is 12 months taken into account the procurement process; award approval; partner pre-contract meetings; scheme development (brand, website, marketing plan and communication) and liaison with voluntary sector groups, community groups and relevant Council services.

## 7. Financial and Procurement Implications

- 7.1 The exempt Appendix C provides headline financial information received from potential bidders, as part of the feasibility work undertaken. In order to deliver the scheme, it has been assumed that 2 FTEs will be required, together with a small marketing budget. Projected resource requirements are:

Resource	Annual Cost (£)		
	Year 1	Year 2	Year 3
Community Energy Officer (Band D)	24,500	25,000	25,500
Community Energy Officer (Band A)		23,500	24,000
Marketing and Communication	4,000	3,000	2,500
<b>TOTAL</b>	<b>28,500</b>	<b>51,000</b>	<b>52,000</b>

7.1.1 A total cost for marketing, operation and administration, based on the scheme operating for 3 years is £122,546. On the basis of the anticipated take-up of the scheme, it is estimated the project will be self-financing over a 3 year period.

7.1.2 An initial revenue budget will be required, before take-up of the scheme begins to increase. The true financial position will not be known until the tender process has taken place. On the basis of the feasibility work undertaken, it is anticipated that the tender outcome will be marginal from a financial point of view, so the Cabinet may also wish to consider the wider social benefits that the project will deliver.

7.2 The report details that there is a competitive market capable of delivering the services detailed within this report. The Council therefore would need to ensure that any arrangements entered into are done so following a fully EU compliant procurement procedure.

## 8. Legal Implications

8.1 OFGEM introduced the Retail Market Review (RMR) reforms late in 2010 to make the retail energy market simpler, clearer and fairer for consumers. The domestic RMR recognised that white label partnerships have the potential to deliver greater consumer choice and competition. White label partnerships must comply with the RMR rules.

8.2 Charging for services is only permitted on a pure cost recovery basis, i.e. a surplus that equates to 'profit' cannot be generated without the formation of a trading company.

8.3 Other partnership arrangements being made by Local Authorities have a minimum 3 – 5 year contract. There are break clauses included in these contracts should one or both partners want to end the project. It is anticipated the Council would make similar arrangements.

- 8.4 The Council would enter into a partnership arrangement with a provider following an EU compliant tender in accordance with Utilities Contract Regulations 2016. The partner supplier would be responsible for the supply of gas and electricity to the customers of the partnership and the partner provider will be obligated to comply with the supply license conditions.

## **9. Human Resources Implications**

- 9.1 The recruitment of additional staffing resources would be required should the business case and Cabinet report be approved following the OJEU procurement process as detailed in 3.2.

## **10. Implications for Children and Young People and Vulnerable Adults**

- 10.1 The scheme should benefit households to reduce the cost of energy and reduce fuel poverty.

## **11. Equalities and Human Rights Implications**

- 11.1 The energy supply offer will be made available to all households in Rotherham. An initial Equalities Impact Assessment has been carried out at Appendix B. The assessment is a working document and will be updated as more data, information and actions are obtained.

## **12. Implications for Partners and Other Directorate**

- 12.1 The implications for Housing and Neighbourhood Services have been included in the report.
- 12.2 The success of the scheme will require support from all relevant Council departments to communicate and engage with hard to reach and vulnerable tenants that are generally the groups that will need the greatest support to identify and change to a cheaper tariff.

## **13. Risks and Mitigation**

- 13.1 The Council or energy provider cannot guarantee that a given tariff will always be the cheapest. Online comparison sites may (but not always) provide the best saving, however a community energy switching scheme is aimed at residents that are unable or not confident enough to switch energy providers. The energy supply market is volatile and the cheapest market price can be superseded the next day by another provider.
- 13.2 There is a reputational risk for the Council. Consumer complaints about billing and the Council may receive the criticism for any price increases set by the partner energy company. Customer service and customer retention performance would have to be regularly monitored.

- 13.3 There is a financial risk to the Council if the number of residents that sign up to the scheme is insufficient to cover the marketing and administration costs. The energy cap that is expected in December will increase the risk and householders may believe the cap results in the best saving. Marketing and communication will need to address this. The Council would need to consider pulling out of the scheme in order to mitigate on going losses if this was the case.

**14 Accountable Officers**

Paul Woodcock, Acting Strategic Director of Regeneration and Environment  
Bronwen Knight, Acting Assistant Director – Planning, Regeneration and Transport  
Paul Smith, Head of Asset Management.

## **Appendix A**

### **Feasibility Assessment Notes and Operating Arrangements of Community Energy Switching Schemes.**

#### **ichoosr**

a. **Governance and Operation.**

ichoosr is a privately owned international company (4 countries) that facilitates collective energy switching energy auctions with licensed suppliers (1 - 3 auctions each year). The aim is to secure reduced tariffs through group purchasing. Participants sign up for energy auctions following a set process:

- Residents sign up for the scheme free of charge.
- Participants are included in the next quarterly auction.
- A personal offer (tariff) is offered to participants post auction.
- Participants accept or decline the offer/tariff.

The process can take up to 12 weeks to switch. Partner organisations (e.g. Local Authorities) marketing the scheme in their area receive a small commission for each resident that signs up to the scheme and adopts a new tariff.

b. **Contract Terms.**

The Council contract with ichoosr would be for 3 years. Supply contracts will depend on the type ichoosr decide to auction for and could include dual fuel, separate contracts or electricity-only.

c. **Customer Benefits.**

Residents benefit from an offer for electricity or gas that should suit their circumstances and should result in a saving.

d. **Customer Service Standards.**

Ichoosr commit to providing a helpdesk that deals with customers telephone calls and e-mail enquiries in a timely manner.

e. **Is the scheme open to all Rotherham tenants?**

Yes and the scheme is also open to residents without any contract arrangements with the Council.

f. **Payment Arrangements.**

Payment terms include direct debit, standard credit and prepayment meter. Pricing includes fixed price, variable price or capped price with billing through direct debit; online; paper or other arrangements.

g. **Marketing and Communication Support.**

Training is provided for Council staff (call centre) to support the scheme internally. The Council are responsible for communicating and promoting the scheme to residents and providing a link on the Council website to enable

residents to register. The Council need to facilitate the registration of residents who do not have access to internet / e-mail address.

h. Community Energy Switching Brand.

Ichoosr have their own brand.

i. Void Arrangements.

This scheme does not include voids.

j. Level of Customer Take Up.

Since the scheme started ichoosr claim to have facilitated over 150 auctions with over 1.5 million offers accepted by customers.

k. Additional Offers.

A solar panel scheme for private residents is on offer.

l. Warm Home Discount Scheme.

No.

m. Remarks.

All UK registrants are put into one single group in order to maximise the economy of scale and group buying power.

**Robin Hood Energy**

a. Governance and Operation.

Robin Hood Energy (RHE) is a national not-for-profit licensed energy provider that is owned by Nottingham City Council. They employ 160 - 180 staff dealing with customer services; billing; back office functions; wholesale buying; regulatory compliance and metering services associated with energy provision.

Potential customers sign up to the scheme and are offered a tariff depending on their circumstances. The customer can either accept or reject the offer. If accepted RHE will carry out the transfer similar to any other licensed supplier.

b. Contract Terms.

RHE have a number of white label arrangements including White Rose Energy and Great North Energy.

RHE has stated that a partnership contract would be better arranged through another white label partner rather than Robin Hood Energy direct. The cost to set up new partnerships and the potential customer base from Rotherham alone may not be sufficient for RHE to invest in.

c. Customer Benefits.

Potential cheaper energy tariff. Those that are on an 18 month fixed tariff are moved to the cheapest available peak tariff once the contract term expires. This arrangement is not available to customers on the 12 month tariff at the moment. Online account management is available.

d. Customer Service Standards.

Customer helpline wait times are 2 minutes maximum and within 1 minute for 70% of customers. Return calls are made within 48 hours.

- e. Is the scheme open to all Rotherham tenants?  
Yes, including single fuel customers.
- f. Payment Arrangements.  
Payment terms include direct debit, standard credit and prepayment meter. Pricing includes fixed price, variable price or capped price with billing through direct debit; online; paper or other arrangements
- g. Marketing and Communication Support.  
N/A
- h. Community Energy Switching Brand.  
Yes.
- i. Void Arrangements:  
RHE has a dedicated voids team. Void properties are given £5 credit per meter and standing charges are waived for 40 days.
- j. Level of Customer Take Up.  
over 100,000.
- k. Additional Offers.  
Nil.
- l. Warm Home Discount Scheme.  
Yes
- m. Remarks.  
RHE has a UK based call centre with live chat and email helpdesk. When asked about recent reports of price increases and financial stability the response was:
- The standard variable tariff hadn't changed for 18 months and increased after the big 6 raised their tariff.
  - Company debt report for 2016/17 showed a deficit as expected.
  - Now at critical mass of customers to break even (over 100,000) and expected to break even for 2017/18.

### **Great North Energy**

- a. Governance and Operation.  
Doncaster Council has established a 'white label' partnership agreement with Robin Hood Energy and set up their own community energy switching brand and website called Great North Energy (GNE). The scheme offers domestic energy tariffs to Doncaster residents and the provision of energy and billing is managed by Robin Hood Energy.
- A white label provider is an organisation (The Council) that does not hold a supply licence and instead partners with a licensed supplier (Robin Hood Energy) to offer gas and electricity using its own brand (Great North Energy).

b. Contract Terms.

The Council would agree a contract with Doncaster Council and a service level agreement with RHE.

c. Customer Benefits.

Same as RHE.

d. Customer Service Standards.

The majority of the customer facing activity and marketing is undertaken by existing staff (Doncaster has 3 x Neighbourhood Energy Officers whom are externally funded and St Leger Homes Tenant Liaison Officers). Other standards the same as RHE.

e. Is the scheme open to all Rotherham tenants?

Yes.

f. Payment Arrangements.

Same as RHE.

g. Marketing and Communication Support.

Doncaster Council will assist with marketing and have developed a portfolio of marketing resources. Great North Energy brand would be promoted with a Rotherham Council label alongside Doncaster Council.

h. Community Energy Switching Brand.

Yes, would be available to partner organisations.

i. Void Arrangements:

Same as RHE

j. Level of Customer Take Up.

To date (25th April 2018) they have secured approximately 2,300 meters equating to around 1,300 customers including void Council properties (Doncaster Council record meters contracted rather than customers to provide a better commercial overview). Additional meters are coming into contract at a rate of approximately 100 per week.

k. Additional Offers.

Nil.

l. Warm Home Discount Scheme.

Yes.

m. Remarks.

Doncaster Council is looking at the feasibility of applying for a supply license and expanding the scheme to include commercial energy for SME's and possibly for Council properties.

Barnsley Council has awarded their 'white label' energy partnership scheme to RHE, using the Great North Energy brand. The scheme will start with their voids on 1<sup>st</sup> October 2018, with a launch to the wider community to follow.

### **White Rose Energy**

a. Governance and Operation.

Leeds City Council has established a 'white label' partnership agreement with Robin Hood Energy and set up their own community energy switching brand and website called White Rose Energy (WRE). The scheme offers domestic energy tariffs to Leeds (and Yorkshire) residents and the provision of energy and billing is managed by Robin Hood Energy.

b. Contract Terms.

The Council would agree a contract with Leeds City Council and a service level agreement with RHE. Bradford and Calderdale are current partners and Kirklees is a potential partner for the future.

c. Customer Benefits.

Same as RHE.

d. Customer Service Standards.

WRE has a suite of KPIs that are monitored and reported monthly.

e. Is the scheme open to all Rotherham tenants?

Yes, the scheme is open to all Yorkshire residents even without a partnership agreement.

f. Payment Arrangements.

Same as RHE.

g. Marketing and Communication Support.

WRE will assist with marketing and have developed a portfolio of marketing resources that could have a Rotherham brand alongside White Rose Energy. Assistance will be provided towards printing leaflets.

h. Community Energy Switching Brand.

Yes, would be available to partner organisations.

i. Void Arrangements:

Same as RHE

j. Level of Customer Take Up.

The scheme has been operational for 2 years and secured approximately 7,000 customers across the region. Take up includes approximately 3,500 voids per year.

k. Additional Offers.

Nil.

l. Warm Home Discount Scheme.

Yes

m. Remarks.

Take up was less than expected.

**Bristol Energy**

a. Governance and Operation.

Bristol Energy (BE) is a licensed not-for-profit energy supplier owned by Bristol City Council.

b. Contract Terms.

White label arrangements have been considered previously with other Local Authorities but not taken up. A white label arrangement with Rotherham Council is an option that would be considered but it would have to be commercially viable for BE.

BE will be responsible for customer facing activity such as billing; back office functions; wholesale buying; regulatory compliance and metering services associated with energy provision.

c. Customer Benefits.

BE focus on social values and for every fuel contracted £15 is invested back into the community through a Fuel Good Fund to help households in fuel poverty. A similar scheme could be set up for Rotherham.

d. Customer Service Standards.

Customers are provided with the best tariff option depending on their circumstances. This may not always be the cheapest option.

e. Is the scheme open to all Rotherham tenants?

The scheme would be open to all Rotherham residents.

f. Payment Arrangements.

Payment arrangements include monthly; quarterly or pre-paid. Online account management is available.

g. Marketing and Communication Support. Support could be provided for marketing and communication but the arrangement would need to be discussed.

h. Community Energy Switching Brand.

Rotherham could use the BE brand or develop their own (at an additional cost).

i. Void Arrangements:

Voids are not included but this may change in the future.

- j. Level of Customer Take Up. To date 130,000 meters have been supplied with fuel by BE.
- k. Additional Offers.  
A smart meter roll out programme is in place and this would be available to Rotherham tenants.
- l. Warm Home Discount Scheme.  
Yes
- m. Remarks.  
BE would incur costs to set up a white label partnership agreement with Rotherham Council and as such these would need to be recouped through the commission payments. Costs would also be incurred by Rotherham Council to set up a white label agreement.  
BE has a target to be profitable by 2021.

### **Our Power**

- a. Governance and Operation.  
Our Power is a not for profit licensed energy supplier based in Edenborough and owned by a combination of social housing providers, community organisations and local authorities. Partners include Bath and North East Somerset Council; Bath & West Community Energy; Community Energy South; Hartlepower; Hebrides Energy and The Isles of Scilly.
- b. Contract Terms.  
Service level agreement with termination options.
- c. Customer Benefits.  
Our Power operates 2 main tariffs and specific regional area tariffs that suit targeted areas. Tariffs are fixed or variable with no exit fees.
- d. Customer Service Standards.  
Helpline waiting times are 2 minutes maximum and return calls are made within 48 hours.
- e. Is the scheme open to all Rotherham tenants?  
Yes, district heating customers only eligible for 1 fuel (electricity).
- f. Payment Arrangements.  
Dependant on chosen tariff.
- g. Marketing and Communication Support.  
Our Power has a suite of materials that could be branded for Rotherham.
- h. Community Energy Switching Brand.  
Yes.

i. Void Arrangements.

Our Power has a process for clearing previous tenant debt, installing new meters and standing charges are waived for a set period.

j. Level of Customer Take Up.

Approximately 200,000 customers.

k. Additional Offers.

A fee would be available for referrals to be negotiated.

l. Warm Home Discount Scheme.

Yes

m. Remarks.

No financial information relating to the organisation profit or stability was available.

**Engie**

a. Governance and Operation.

Engie is a global privately owned licensed supplier providing various services (energy, FM, regeneration) to public and private organisations. The company provides the FM on the Council's Schools PFI contract, as a subcontractor to Transform Schools (Rotherham) Limited and has an office in the Borough. Engie has expressed an interest in setting up a white label arrangement and develop a Rotherham energy brand. The company has developed a white label arrangement with Cheshire West & Chester which is due to be launched before Christmas 2018.

b. Contract Terms.

The minimum contract term would be 4 years as Engie would be investing a significant amount of capital to develop a white label arrangement and brand for Rotherham.

c. Customer Benefits.

Rotherham residents could benefit from reduced energy tariffs and community energy initiatives. Customers who reach the end of their fixed term without choosing a new tariff will be automatically put onto the cheapest comparable tariff available to them. Supplies 100% renewable energy. Specialist support for vulnerable customers would be provided.

d. Customer Service Standards.

Engie ranks 2nd out of 50 suppliers for customer service in the Citizens Advice Bureau ratings: KPI data:

Customer Satisfaction Criteria	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Average Call Waiting Time (seconds)	-	-	-	-	-	-	28s	38s
% Call Answered	86%	90%	95%	82%	90%	85%	97%	98%
% Emails responded within 120 hours	100%	100%	85%	11%	91%	44%	91%	100%
% Bill run completed on time	91	91	94	94	94	97	97	97
Voice of the Customer Score (Max 5)	-	-	-	-	-	-	4.5	4.5

Jan-18	Feb-18	Mar-18	Apr-18	May-18			
25s	26s	31s	55s	77s			
98%	99%	97%	96%	93%			
100%	94%	79%	85%	29%			
98	98	98	98	98			
4.6	4.6	4.5	4.5	4.6			

e. Is the scheme open to all Rotherham tenants?

Yes.

f. Payment Arrangements.

Payment arrangements include monthly; quarterly or pre-paid depending on tariff. Online account management is available.

g. Marketing and Communication Support.

Assistance will be given to develop and implement a marketing plan; develop a brand and website and create a suite of customer communications and documents.

h. Community Energy Switching Brand.

Rotherham could develop their own brand and website.

i. Void Arrangements.

Prepayment meters are reset; £5 Emergency credit is automatically added to each meter; the old debt management process is being developed and details to be confirmed.

j. Level of Customer Take Up.

New white label scheme due to be launched.

k. Additional Offers.

A number of potential schemes may be available to Rotherham such as the solar and battery scheme for social housing.

l. Warm Home Discount Scheme.

Yes.

m. Remarks.

Engie also have a number of other energy related projects that the Council will pursue outside the community energy scheme.

Engie would be responsible for customer facing activity such as billing; back office functions; wholesale buying; regulatory compliance and metering services associated with energy provision.

**Fairerpower Red Rose**

- a. Governance and Operation.

Fairerpower is a partnership between Cheshire East Council, Preston City Council and OVO Energy.

- b. Remarks.

Contacted by email, no reply

**Community Energy South**

- a. Governance and Operation.

- b. Remarks.

Contacted by email, no reply

**Big Clean Switch**

- a. Governance and Operation.

A comparison site using suppliers with green credentials. Works with Greater Manchester Combined Authority.

- b. Remarks.

No community energy schemes available.

**Energy Efficiency Savings Ltd**

- a. Governance and Operation.

(partner with Drax).

- b. Remarks.

Not considering any community switching scheme involvement. Involved in large scale energy saving programmes with private and public organisations.

**Solaplicity**

- a. Governance and Operation.

- b. Remarks.

Not considering any community switching scheme involvement. Involved in large scale energy saving programmes with private and public organisations.

## Appendix B

Initial Equalities Impact Assessment**RMBC - Equality Analysis Form for Commissioning, Decommissioning, Decision making, Projects, Policies, Services, Strategies or Functions (CDDPPSSF)**

<p><b>Under the Equality Act 2010 Protected characteristics</b> are Age, Disability, Sex, Gender Reassignment, Race, Religion or Belief, Sexual Orientation, Civil Partnerships and Marriage, Pregnancy and Maternity. Page 6 of guidance. Other areas to note see guidance appendix 1</p>	
<p><b>Name of policy, service or function. If a policy, list any associated policies:</b></p>	<p>Community Energy Switching Scheme</p>
<p><b>Name of service and Directorate</b></p>	<p>Asset Management, Regeneration and Environment</p>
<p><b>Lead manager</b></p>	<p>David Rhodes</p>
<p><b>Date of Equality Analysis (EA)</b></p>	<p>13/09/18</p>
<p><b>Names of those involved in the EA (Should include at least two other people)</b></p>	<p>David Rhodes &amp; Paul Maplethorpe</p>
<p><b>Aim/Scope</b> (who the Policy /Service affects and intended outcomes if known) See page 7 of guidance step 1</p> <p>A community energy switching scheme aims to reduce the cost of living for people by getting a fair price on gas and electricity.</p>	
<p><b>What equality information is available? Include any engagement undertaken and identify any information gaps you are aware of. What monitoring arrangements have you made to monitor the impact of the policy or service on communities/groups according to their protected characteristics?</b> See page 7 of guidance step 2</p> <p>Ofgem has reported that around 57% of non-prepayment meter consumers remain on poor value standard variable rates, which can be as much as £300 a year more expensive than the cheapest deals on the market. However, more than one in five households across the UK now get their energy from small/medium-sized suppliers, leaving the largest six suppliers with a record-low market share. During 2017, 5.1 million electricity consumers and 4.1 million gas consumers switched supplier, which was the highest number for almost a decade. Many of the customers switched for the first time.</p>	
<p><b>Engagement undertaken with customers. (date and group(s) consulted and key findings)</b> See page 7 of guidance step 3</p>	<p>No engagement has been undertaken with potential customers. This will be carried out during the development phase if sanctioned.</p>

<b>Engagement undertaken with staff about the implications on service users (date and group(s) consulted and key findings)</b> See page 7 of guidance step 3	Engagement carried out with Housing / Voids Team.
<b>The Analysis</b>	
<p><b>How do you think the Policy/Service meets the needs of different communities and groups?</b> Protected characteristics of Age, Disability, Sex, Gender Reassignment, Race, Religion or Belief, Sexual Orientation, Civil Partnerships and Marriage, Pregnancy and Maternity. Rotherham also includes Carers as a specific group. Other areas to note are Financial Inclusion, Fuel Poverty, and other social economic factors. This list is not exhaustive - see guidance appendix 1 <b>and</b> page 8 of guidance step 4</p> <p>The scheme will be open to all communities and groups.</p>	
<p><b>Analysis of the actual or likely effect of the Policy or Service:</b> See page 8 of guidance step 4 and 5</p> <p><b>Does your Policy/Service present any problems or barriers to communities or Group?</b> Identify by protected characteristics <b>Does the Service/Policy provide any improvements/remove barriers?</b> Identify by protected characteristics</p> <p>The scheme should improve communities; reduce fuel poverty and there are no known problems or barriers.</p> <p><b>What affect will the Policy/Service have on community relations?</b> Identify by protected characteristics</p> <p>Positive.</p>	

Please list any **actions and targets** by Protected Characteristic that need to be taken as a consequence of this assessment and ensure that they are added into your service plan.

**Website Key Findings Summary:** To meet legislative requirements a summary of the Equality Analysis needs to be completed and published.

**Equality Analysis Action Plan** - See page 9 of guidance step 6 and 7

**Time Period:** 1<sup>st</sup> year of implementation

Manager: David Rhodes

Service Area: Asset Management

Tel: 54017

**Title of Equality Analysis:**

If the analysis is done at the right time, i.e. early before decisions are made, changes should be built in before the policy or change is signed off. This will remove the need for remedial actions. Where this is achieved, the only action required will be to monitor the impact of the policy/service/change on communities or groups according to their protected characteristic.

List all the Actions and Equality Targets identified

Action/Target	State Protected Characteristics as listed below	Target date (MM/YY)
Identify communities to be targeted and develop marketing to suit	?	?
Identify potential/perceived barriers that communities or groups could face when signing up to the scheme	?	?
Analyse results of above actions and implement actions to overcome any potential/perceived barriers	?	?

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

## **Summary Sheet**

### **Committee Name and Date of Committee Meeting**

Overview and Scrutiny Management Board – 28 November 2018

### **Report Title**

Universal Credit Roll Out in Rotherham

### **Is this a Key Decision and has it been included on the Forward Plan?**

No

### **Strategic Director Approving Submission of the Report**

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

### **Report Author(s)**

Paul Elliott, Business and Commercial Programme Manager  
01709 822494 or paul.elliott@rotherham.gov.uk

### **Ward(s) Affected**

All

### **Summary**

Universal Credit (UC) is being introduced nationally to replace 6 key benefits for customers and following a number of delays was fully rolled out in Rotherham on 11 July 2018.

### **Recommendations**

1. That the updated information on the roll out of Universal Credit “Full Service” included in this report be noted.
2. That Overview and Scrutiny Management Board endorse the continuing functions of the working groups, in particular to oversee the presentation of further updates and recommendations arising from the implementation of Universal Credit and discussions with the Department of Work and Pensions around issues arising.

### **List of Appendices Included**

None

**Background Papers**

Waiting for Credit: The delivery of Universal Credit, Citizens Advice Bureau, 2015

[http://www.boltoncab.co.uk/Global/Waiting%20for%20Credit%20PDF%20final%20\(003\)%20Nov%202015.pdf](http://www.boltoncab.co.uk/Global/Waiting%20for%20Credit%20PDF%20final%20(003)%20Nov%202015.pdf)

Universal Credit and debt, Citizens Advice Bureau, 2017

<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/debt-and-money-policy-research/universal-credit-and-debt/>

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## Universal Credit Roll Out in Rotherham

### 1. Background

1.1 This report provides an update on the ongoing roll out of the Universal Credit Full Service in Rotherham which commenced on 11 July 2018. People move onto Universal Credit if they are a new claimant or if there is a change in their circumstances which triggers the changeover from legacy benefits. In practice this means a “Change of Benefits”. Changes of benefits includes:

- “In work” to “out of work”;
- “Out of work” to “in work”;
- “In work” to “sick”;
- “Out of work” to “sick”;
- “Lone parent with youngest child under five” to “child reaches the age of five”;
- Housing Benefit claimant moves from one local authority area to another; and becomes eligible to pay rent;

2.2 Universal Credit is an integrated working-age benefit that provides a basic allowance with additional elements for children, disability, housing and caring. It supports people both in and out of work and replaces the following benefits:

- Working Tax Credit (WTC);
- Child Tax Credit (CTC);
- Housing Benefit (HB);
- Income Support (IS);
- Income-based Jobseeker’s Allowance (JSA);
- Income-related Employment and Support Allowance (ESA).

2.3 Working groups continue to meet at both strategic and operational level. These working groups have brought together service providers, Department for Work and Pensions, Jobcentre Plus and other relevant partners including Rotherfed and the Citizens’ Advice Bureau. Within the Council, this has drawn together resources from:

- Revenue and Benefits;
- Early Help Team – particularly the Family for Change workers;
- Adult Social Care;
- Housing and Financial Inclusion;
- Policy and Partnership;
- Customer services including digital inclusion;
- Communications

2.4 Since roll out there has not been any significant issues identified, that said, it is still less than 3 months since the go live of the Universal Credit Full Service, so issues may manifest themselves in the future.

2.5 The Operational Working Group has established five work streams to take forward all actions required for commencement. These were (including lead officer):

- Digital inclusion to support people getting online – Phil Rushton (initial lead)
- Communications Strategy – Hayley Richardson-Roberts
- Data Handling – Gary Walsh
- Pathways for support – Emma Ellis
- Training – Glennis Leathwood

The detail of this report sets out the actions that have been taken since roll out on 11 July 2018.

### **3. Key Issues**

3.1 Key areas of work in relation to the work streams have been carried out including detailed work around digital support to ensure that people are fully supported in the process of making online applications. Training of staff across the Council, especially those in front line services has been extensive in addition to the provision of material and other communication methods to ensure knowledge and information is disseminated. Key recent activities include:

- Awareness of NHS prescriptions not being updated to reflect the roll out of Universal Credit nationally is being undertaken in General Practitioner's surgeries and local pharmacies. Essentially prescription forms do not identify Universal Credit as an option for non-payment. People in receipt of Universal Credit need to be advised to tick the Income based support box for non-payment to be valid, otherwise an automatic penalty notice will be issued.
- Making Every Contact Count training has been reviewed to ensure Universal Credit is included.
- Further Universal Credit awareness raising sessions are being held monthly between October 2018 and January 2019 for frontline staff

3.2 Two digital support workers, 1.5fte, employed by the Council are now based at Rotherham Job Centre to support customers with digital support. The Housing Revenue Account is providing additional funding of £40k towards provision of digital support to Universal Credit claimants. Claimants at Dinnington and Maltby Job Centres are referred to their local library. There have been several reports of claimants being turned away by library staff; as a result, further training is being undertaken on Universal Credit and Digital Support with library staff as the Council receives £24k grant funding from the Department of Work and Pensions to deliver this service on their behalf. To 21 September 2018 there has been 297 claimants referred for Digital Support which represents about 21% of all claims made.

- 3.3 The Trusted Landlord Portal has been operational since the launch of Universal Credit. This allows Housing Services to apply for and self-verify applications for alternative payment arrangements and third party deductions without intervention from the Department of Work and Pensions. The Council's Financial Inclusion Team will monitor the alternative payment arrangements to ensure that alternative payment arrangements are applied for in line with the Department of Work and Pensions' policy. There is a risk that too many alternative payment arrangements will impact on credibility resulting in the loss of the portal.
- 3.4 Personal Budgeting Support is provided through the Council's Advocacy and Appeals Service. The Personal Budgeting Support is conducted on an appointment basis in all job centres across Rotherham. As at 21 September 2018 there had been 58 referrals for Personal Budgeting Support of which 43 claimants attended the subsequent appointment, meaning that 26% of referrals failed to attend. It is important that referral rates are maintained, as the value of grant funding received by the Council is based on forecasted referral rates provided by the Department of Work and Pensions. For Personal Budgeting Support it is anticipated there will be 799 Personal Budgeting Support appointments by 31 March 2019.
- 3.5 The migration of 720 Universal Credit Live Service claimants (single people who made a claim locally between December 2015 and December 2017) commenced on 19 September 2018. It is expected that all claimants in this group will be transferred by December 2018 prior to the national computer system for Universal Credit Live Service claims being switched off early in the New Year. The Housing Service continue to support all affected tenants to offer support as required given the claimant will need to activate a new claim for the Universal Credit Full Service.
- 3.6 The table below summarises the current number of Universal Credit Full service claims in Rotherham Department of Work and Pensions District between 11 July 2018 to 21 September 2018:

<b>Universal Credit Full Service Claims</b>	<b>Universal Credit Full Service claims with Work Coach</b>	<b>Universal Credit Claims with LA Housing Costs</b>	<b>Local Authority Advance Payment Arrangements</b>	<b>Local Authority Third party deductions</b>
1,370	744 of which: Dinnington 176 Maltby 175 Rotherham 393	915	296	212

- 3.7 The impact on rent arrears is now starting to become evident at individual account level, with the average arrears for a tenant on Universal Credit being £726.92 compared to £395.12 for other tenants i.e. the average arrears for a tenant on Universal Credit is 84% higher than other tenants. This presents a significant risk to income collection and manifests itself through increased bad debt provision. The forecast arrears balance for new Universal Credit claims is £625k for 2018-19. To mitigate this risk all new tenants who are eligible for Universal Credit have to make a claim and set up either a Direct Debit or a Recurring Card payment for rent prior to being issued with the keys for their new home.
- 3.8 Local partners have not reported any significant increase in demand for services following the roll out of the Universal Credit Full Service. For instance, whilst the Citizens' Advice Bureau has seen over a 120% increase in uptake of services this is not directly attributable to Universal Credit as there has only been a 1% increase in demand for benefits advice since the same period last year. For context, Citizens' Advice Bureau have only provided 92 pieces of advice about Universal Credit since July 2018, this comprises only 2% of the 4,125 issues that have been dealt with during that time.
- 3.9 Foodbank use has remained fairly constant, at levels seen before the rollout of the Universal Credit Full Service. Before the rollout there were on average 79 referrals per month. In the three months following rollout, there have been 74, 84 and 80 vouchers issued respectively i.e. no increase in the average number of referrals.

### **National Developments**

- 3.10 The Government have announced that those Universal Credit claimants who move onto Universal Credit through natural migration and who are worse off because of the loss of the Severe Disability Premium will receive protection. In practical terms this means there will be:
- No new claims for Universal Credit from anyone who has the Severe Disability Premium in their current legacy benefit awards.
  - Transitional protection for those claimants already on Universal Credit who were getting the Severe Disability Premium in their legacy benefits before moving on to Universal Credit and are worse off.
  - A backdated payment given to these claimants representing the amount of benefit lost since moving onto Universal Credit.
- 3.11 The timetable for migration of remaining claimants from legacy benefits has still to be announced although the timeframe for migration has been extended by one year to 2022.

- 3.12 On 1 October 2018, the Government announced that all Local Delivery Partnerships with Local Authorities to deliver Digital Support and Personal Budgeting Support will transfer to the national network of Citizens' Advice Bureau offices from 1 April 2019. The Local Universal Credit Delivery Manager will provide further details as they become aware. The immediate issue for the Council will be the loss of grant income of circa £75k per annum which was received for this service. Financial Services have been made aware of this for 2019-20 budget setting. It is the intention that the next Universal Credit Operation Group review the implications across the Council and partners so there is no negative impact on the service provided to claimants.

#### **4. Options considered and recommended proposal**

- 4.1 There are no options with this update report.

#### **5. Consultation**

- 5.1 None

#### **6. Timetable and Accountability for Implementing this Decision**

- 6.1 No decision is required. The timeline for ongoing roll out of Universal Credit is managed by the Department for Work and Pensions. It is anticipated the full roll out of Universal Credit nationally will be complete by 2022.

#### **7. Financial and Procurement Implications**

- 7.1 There are no procurement implications from this report.
- 7.2 The Local Delivery Partnerships with Local Authorities to deliver Digital Support and Personal Budgeting Support will transfer to the national network of Citizens' Advice Bureau offices from 1 April 2019. This will result in the loss of grant funding of circa £75k which was received for this service. This is being taken into account in the 2019/20 budget setting.
- 7.3 The HRA currently provides funding of £40k towards provision of digital support to Universal Credit claimants, this is in addition to the £24k received from the Department of Work and Pensions to deliver digital support to Universal Credit claimants.
- 7.4 There has been an impact in terms of increasing rent arrears for tenants receiving Universal Credit compared with other tenants, the average increase being 84% higher. The latest forecast arrears balance for new Universal Credit claims is £625k for 2018-19. In order to mitigate the increasing rent arrears all new tenants who are eligible for Universal Credit must either set up a Direct Debit or a Recurring Card payment to pay their rent prior to being issued with the keys for their property.

#### **8. Legal Implications**

- 8.1 No direct implications from this report

#### **9. Human Resources Implications**

- 9.1 No direct implications from this report

#### **10. Implications for Children and Young People and Vulnerable Adults**

- 10.1 The roll out of Universal Credit throughout Rotherham may have a detrimental impact on the Young People and some vulnerable adults due to changes in payment rates and time it takes for new claims to be paid which is up to 6 weeks. This may mean these client groups are adversely affected by the changes and unable to pay bills or general living expenses during this period.

## **11 Equalities and Human Rights Implications**

- 11.1 No direct implications from this report

## **12. Implications for Partners and Other Directorates**

- 12.1 A decline in CTS applications from those entitled to support could lead to a subsequent increase in Council Tax bills for those affected which may increase the numbers engaging with advice agencies in respect of financial difficulties.

## **13. Risks and Mitigation**

- 13.1 A decline in CTS applications from those who would be entitled to support will result in an increase in Council Tax arrears together with the costs of collection and an increase in personal debt levels.
- 13.2 In order to mitigate this actions have been put into place in order to maximise applications from who may be entitled to support.

## **14. Accountable Officer(s)**

Approvals obtained on behalf of:-

	<b>Named Officer</b>	<b>Date</b>
Strategic Director of Adult Care, Housing and Public Health		
Assistant Director of Legal Services	Elizabeth Anderton	19.11.2018
Strategic Director of Finance and Customer Services	Mark Scarrott	19.11.2018
Head of Procurement (if appropriate)	n/a	
Head of Human Resources (if appropriate)	n/a	

*Report Author: Paul Elliott, Business and Commercial Programme Manager  
01709 822494 or paul.elliott@rotherham.gov.uk*

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