

Committee Name and Date of Committee Meeting

Cabinet – 25 January 2021

Report Title

Community Energy Switching Scheme

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

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Paul Woodcock, Strategic Director of Regeneration and Environment

Report Author(s)

David Rhodes, Environment, Energy and Data Manager
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Ward(s) Affected

Borough-Wide

Report Summary

Following changes to the specification and terms and conditions, Cabinet approved an Official Journal of the European Union (OJEU) procurement process to identify a potential partner to develop a Community Energy Switching scheme on 20th July 2020. The tender was launched on 4th September 2020 and concluded on 4th November 2020; following this process no compliant bids had been received. This report therefore recommends moving forward with an alternative internally delivered community energy switching scheme.

Recommendations

1. That an internally delivered community energy switching scheme is implemented to launch in March 2021.

List of Appendices Included

Appendix 1 Equalities Initial Impact Assessment

Background Papers

1. Cabinet Meeting, Monday, 20th July 2020, Community Energy Switching Scheme: <https://moderngov.rotherham.gov.uk/ieListDocuments.aspx?CIId=1103&MIId=15054&Ver=4>

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Community Energy Switching Scheme

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| 1. | Background |
| 1.1 | A community energy switching scheme would be open to all Rotherham residents and the aim of the scheme is to reduce the number of households paying high tariffs for gas and electricity and consequently reduce fuel poverty. Although the scheme would be open to all residents, it should be particularly beneficial to hard to reach and vulnerable tenants, to assist them to identify and change to a cheaper tariff. Residents could save up to £260 per year in an average 3-bedroom semi-detached house. |
| 1.2 | The development of a community energy switching scheme was first approved by Cabinet on 17 th December 2018. Following an OJEU procurement process to identify a potential partner in 2019, Robin Hood Energy (RHE) was the successful bidder and awarded the Contract. However, in December 2019, RHE could not agree to the specification under the terms of the procurement process and so the contract could not be awarded. RHE have since stopped trading. |
| 1.3 | On 20 th July 2020, following changes to the specification and terms and conditions, Cabinet approved an OJEU procurement process to identify a potential partner to develop a Community Energy Switching scheme. The tender was launched on 4 th September 2020 and bids had to be submitted by 9 th October 2020. Only one bid was received from a company that didn't provide the service required and didn't have the supply license necessary. The bid was evaluated and deemed to be a non-compliant bid. |
| 1.4 | On 20 th July 2020, Cabinet approval was also granted to develop an internally delivered scheme, as an alternative approach in anticipation of the possibility that the market is unable to deliver the requirement. |
| 2. | Key Issues |
| 2.1 | The recent demise of a number of licensed energy suppliers has had an impact on the already volatile energy market and further tender exercises are not currently recommended. The situation is believed to have been impacted further by the pandemic. |
| 2.2 | The development of an internally delivered community energy switching scheme has been progressing alongside the National Energy Action (NEA) funded programme to promote smart meters to the over 60's. The NEA programme has focussed on social media due to the current restrictions and the Facebook page alone has received over 40,000 hits and over a thousand enquiries since July 2020. The development of the internal switching scheme includes: <ul style="list-style-type: none"> Following on from the NEA programme that ends 1st December 2020, these social media resources will be converted from the 'NEA programme' to 'community energy switching scheme' using the proven resources and format for marketing and communication. |

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| | <ul style="list-style-type: none"> Plans are in place to hold local workshops and support groups once current pandemic restrictions allow, and online/virtual options will be explored to enable this activity to commence should restrictions still be in place. The scheme will focus on supporting residents to: <ul style="list-style-type: none"> Identify a reduced utility tariff and change to a new supplier using OFGEM accredited comparison websites. Promote energy efficiency for Rotherham residents and provide support to access available grants to reduce energy consumption such as the Government Green Homes Grant voucher scheme. |
| 2.3 | The scheme is delivered by a Community Energy Officer and in 2020/21 is being funded from a combination of NEA grant of £14,091 and directorate approved revenue budget. Further external funding, when available, will be used to extend or grow the scheme, for example potential additional NEA funding will be available from April 2021. |
| 3. | Options considered and recommended proposal |
| 3.1 | Option 1 – Implement an internal independent scheme based on assisting residents to change tariffs through comparison website approved by OFGEM. |
| 3.2 | Option 2 – Do not provide direct support for residents to identify and change to a cheaper utility tariff or improve home energy efficiency. |
| 3.4 | Option considerations: |
| 3.5 | Option 1 is the recommended option and would provide a service to Rotherham residents using existing resources. The data, networks and reputation secured during the NEA programme would be utilised. |
| 3.6 | Option 2 External funding would be sought to carry out schemes similar to the NEA funded smart meter programme to run alongside the community energy switching scheme. Smart Energy GB have communicated that a revised programme for smart meters (to a younger audience) will be launched in April 2021 and bids for funding requested in January 2021. |
| 4. | Consultation on proposal |
| 4.1 | No additional consultations have been carried out. |
| 5. | Timetable and Accountability for Implementing this Decision |
| 5.1 | If approval is given to the recommendation as presented above, this will be actioned immediately through: <ol style="list-style-type: none"> 1. Converting NEA smart meter programme resources to the internally |

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| | <p>delivered community energy switching scheme to be launched in March 2021.</p> <p>2. Managing, monitoring and reporting on the progress of the scheme in 2021.</p> |
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| 6. | Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer) |
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| 6.1 | As the recommended options are related to in-house provision there are no procurement implications. |
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| 6.2 | The scheme is to be delivered initially through a temporary Community Energy Officer funded from the Directorate approved revenue budget, and thereafter would be delivered through the mainstream budget. Further external funding when available would also be used to extend or grow the scheme. |
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| 7. | Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services) |
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| 7.1 | This report indicates that under the recommended option (Option 1) there would be no expectation of any external income. In this case, there do not appear to be significant legal implications of that option. |
| | |
| 7.2 | <p>If the activity in future became a 'commercial activity' (i.e. with a profit motive), the situation would change. The Council does not have the power to carry out commercial activity in its own name. It can only carry out such activity by a company in which the Council is a shareholder (whether sole shareholder or co-shareholder with someone else). That company would be required to pay Corporation Tax on profits like any other company, and any assistance provided to that company by the Council would be subject to normal state aid rules.</p> <p>Therefore, if there is a shift towards a commercial activity, the Council would need to revisit the issue.</p> |
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| 8. | Human Resources Advice and Implications |
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| 8.1 | The recruitment of a Community Energy Officer is complete. |
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| 8.2 | A decision to discontinue the Community Energy Officer post (option 2) may result in the current postholder being at risk of redundancy, should no suitable opportunities for redeployment be identified. |
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| 9. | Equalities and Human Rights Advice and Implications |
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| 9.1 | An initial Equalities Impact Assessment has been carried out and will be updated as more data, information and actions are obtained. |
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| 10. | Implications for Ward Priorities |
| 10.1 | The energy supply offer will be made available to all households in Rotherham. |
| 11. | Implications for Partners |
| 11.1 | The implications for Housing and Neighbourhood Services are positive with a service for residents and the reduction of fuel poverty. |
| 11.2 | The success of the scheme will require support from all relevant Council directorates to communicate and engage with hard to reach and vulnerable tenants, to identify and change to a cheaper tariff. |
| 12. | Risks and Mitigation |
| 12.1. | The Council can only signpost tariffs available through comparison websites and any contract will be between the resident and licensed supplier. The energy supply market is volatile, and the cheapest market price can be superseded the next day by another provider. |
| 12.2 | There is a reputational risk for the Council if there are complaints about utility companies that have been signposted by the Council through comparison websites. |
| 12.3 | The energy cap introduced by the Government/OFGEM will increase the risk that householders may believe the cap results in the best saving. Marketing and communication will address this. |
| 13. | Accountable Officers |
| | David Rhodes, Environment, Energy and Data Manager |
| | Jonathon Marriott, Head of Asset Management |

Approvals obtained on behalf of Statutory Officers:-

| | Named Officer | Date |
|---|----------------------|-----------------------------|
| Chief Executive | Sharon Kemp | Click here to enter a date. |
| Strategic Director of Finance & Customer Services (S.151 Officer) | Judith Badger | 04/01/21 |
| Head of Legal Services (Monitoring Officer) | Bal Nahal | 23/12/20 |

Report Author: **Error! Reference source not found**
This report is published on the Council's [website](#).
Appendix 1



PART A - Initial Equality Screening Assessment

As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality and diversity.

A **screening** process can help judge relevance and provide a record of both the process and decision. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality and diversity
- whether or not equality and diversity is being/has already been considered, and
- whether or not it is necessary to carry out an Equality Analysis (Part B).

Further information is available in the Equality Screening and Analysis Guidance – see page 9.

| 1. Title | |
|---|--|
| Title: Community Energy Switching Scheme | |
| Directorate: Regeneration and Environment | Service area: Asset Management |
| Lead person: David Rhodes | Contact number: 54017 |
| Is this a: | |
| <input type="checkbox"/> Strategy / Policy | <input checked="" type="checkbox"/> Service / Function |
| <input type="checkbox"/> Other | |
| If other, please specify | |

| 2. Please provide a brief description of what you are screening |
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| <p>The proposal is to develop a community energy switching scheme that aims to reduce the cost of living for Rotherham residents by getting a fair price on gas and electricity.</p> <p>All communities need to be engaged and protected characteristic residents have been identified as an area that will need to be approached using different methodologies.</p> <p>Marketing and communication will include liaison with community groups; religious groups, voluntary sector and will take into account all protected characteristic</p> |

individuals or groups.

Monitoring of the impacts will be carried out once the scheme has been launched and operational.

3. Relevance to equality and diversity

All the Council's strategies/policies, services/functions affect service users, employees or the wider community – borough wide or more local. These will also have a greater/lesser relevance to equality and diversity.

The following questions will help you to identify how relevant your proposals are.

When considering these questions think about age, disability, sex, gender reassignment, race, religion or belief, sexual orientation, civil partnerships and marriage, pregnancy and maternity and other socio-economic groups e.g. parents, single parents and guardians, carers, looked after children, unemployed and people on low incomes, ex-offenders, victims of domestic violence, homeless people etc.

| Questions | Yes | No |
|---|-----------------|----|
| Could the proposal have implications regarding the accessibility of services to the whole or wider community? <i>(Be mindful that this is not just about numbers. A potential to affect a small number of people in a significant way is as important)</i> | | No |
| Could the proposal affect service users? <i>(Be mindful that this is not just about numbers. A potential to affect a small number of people in a significant way is as important)</i> | Yes, positively | |
| Has there been or is there likely to be an impact on an individual or group with protected characteristics? <i>(Consider potential discrimination, harassment or victimisation of individuals with protected characteristics)</i> | Yes, positively | |
| Have there been or likely to be any public concerns regarding the proposal? <i>(It is important that the Council is transparent and consultation is carried out with members of the public to help mitigate future challenge)</i> | | No |
| Could the proposal affect how the Council's services, commissioning or procurement activities are organised, provided, located and by whom? <i>(If the answer is yes you may wish to seek advice from commissioning or procurement)</i> | | No |
| Could the proposal affect the Council's workforce or employment practices? <i>(If the answer is yes you may wish to seek advice from your HR business partner)</i> | | No |

If you have answered no to all the questions above, please explain the reason

If you have answered **no** to all the questions above please complete **sections 5 and 6**.

If you have answered **yes** to any of the above please complete **section 4**.

4. Considering the impact on equality and diversity

If you have not already done so, the impact on equality and diversity should be considered within your proposals before decisions are made.

Considering equality and diversity will help to eliminate unlawful discrimination, harassment and victimisation and take active steps to create a discrimination free society by meeting a group or individual's needs and encouraging participation.

Please provide specific details for all three areas below using the prompts for guidance and complete an Equality Analysis (Part B).

- **How have you considered equality and diversity?**

The scheme will be available to all Rotherham residents. Therefore different methods of communication and marketing will be required to ensure that access to all individuals and groups that the scheme has been designed for are reached.

(think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

- **Key findings**

The scheme can provide a positive financial impact to all residents but different types of communication, marketing and support will be needed to ensure all relevant residents can access the scheme. Different methods will be confirmed when community groups, voluntary sectors, religious groups and different departments in the Council have been consulted (including equalities team).

(think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

- **Actions**

As stated above the first action is consultation with different groups to identify:

- ***protected characteristic groups and all other groups that will benefit from the scheme***
- ***Method of communication, marketing and support***

(think about how you will promote positive impact and remove/reduce negative impact)

Date to scope and plan your Equality Analysis:

January 2021

Date to complete your Equality Analysis:

February 2021

Lead person for your Equality Analysis
(Include name and job title):

James Maher, Community Energy Officer

5. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening:

| Name | Job title | Date |
|--------------|--------------------------------------|----------|
| David Rhodes | Environment, Energy and Data Manager | 26/11/20 |
| James Maher | Community Energy Officer | 26/11/20 |
| Phil Toyer | Asset Data Officer | 26/11/20 |

6. Publishing

This screening document will act as evidence that due regard to equality and diversity has been given.

If this screening relates to a **Cabinet, key delegated officer decision, Council, other committee or a significant operational decision** a copy of the completed document should be attached as an appendix and published alongside the relevant report.

A copy of **all** screenings should also be sent to equality@rotherham.gov.uk For record keeping purposes it will be kept on file and also published on the Council's Equality and Diversity Internet page.

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| Date screening completed | |
| Report title and date | Community Energy Switching Scheme – 25/01/21 |
| If relates to a Cabinet, key delegated officer decision, Council, other committee or a significant operational decision – report date and date sent for publication | |
| Date screening sent to Performance, Intelligence and Improvement equality@rotherham.gov.uk | 26/11/20 |