

## Cabinet – 24<sup>th</sup> April 2013

### Domestic Collective Fuel Switching – Tackling Fuel Poverty Supplementary Report

**Portfolio:** Councillor Adrian Andrew, Deputy Leader, Regeneration  
**Related Portfolio:** Councillor Christopher Towe, Finance and Personnel

**Service:** Strategic Housing

**Wards:** Borough Wide

**Key decision:** Yes

**Forward plan:** Yes

#### 1. Purpose

- To provide an update to members on the proposal for a domestic collective fuel switching scheme including a pilot initiative to enable residents to join a fuel switch as soon as practicable. The report also seeks endorsement in line with the Council's Contract Rules to later this year undertake a procurement process to seek and to subsequently appoint an Intermediary Provider for the West Midlands. This is in line with the Council's commitments to tackle fuel poverty and address excess winter deaths and the Council's Home Energy Conservation Act (HECA) Action Plan.
- Remove recommendations 2.1 to 2.3 of the existing report, and replace with new recommendations 2.1 to 2.4 below.

#### 2. Recommendations

- 2.1 That Cabinet note that Executive Director of Regeneration in accordance with Finance and Contract Rules has agreed to use ichoosr (as an Intermediary Provider) to undertake domestic collective fuel switching as a pilot initiative linked with Wolverhampton City Council and using a Framework developed by Oldham Borough Council based on:
- a) No fee being charged by ichoosr, Oldham or Wolverhampton Council's to Walsall Council or residents of the borough.
  - b) Any referral fee (income) paid as a result of this pilot initiative relating to borough residents is received by Walsall Council and used as per 2.2 below.
- 2.2 That any referral fees (income) paid to the Council through the collective fuel switching be used as follows:
- a) 50% towards continued support for tackling fuel poverty initiatives in Walsall including future promotion activity for successive rounds of collective fuel switching;

- b) The remaining 50% be considered as 'windfall' income by the Council.
- 2.3 That Cabinet is recommended to approve undertaking a procurement process and or accessing one developed with another council (such as Wolverhampton Council) to seek an Intermediary Provider to undertake domestic collective fuel switching, following the conclusion of the Pilot Fuel Switch with ichoosr, for the West Midlands for a maximum period of 3 years. Income from the referral fees to be used as per 2.2 above.
- 2.4 That Cabinet, Cabinet delegate authority to the Executive Director of Regeneration in consultation with the Portfolio Holder – Regeneration, to:
- a) accept tenders and award the contract for the services set out in the recommendation in the above paragraph and to sign or authorise the sealing of any deeds, contracts and other related documents in relation to such services;
  - b) Agree the priorities and expenditure of income under 2.2 a) above for tackling Fuel Poverty in Walsall.

### **3. Background**

- 3.1 The existing Cabinet report recommends the council seeks to obtain an Intermediary Provider to undertake a collective fuel switch programme.
- 3.2 Wolverhampton City Council have recently completed an initial round of fuel switching promotion using the Oldham Framework and their Intermediary Provider (ichoosr). This led to circa 2,000 households signing up to the e-auction. Due to this success Wolverhampton Council have secured agreement from ichoosr and Oldham to waive for Walsall Council joining fees.
- 3.3 Evidence from other collective switching schemes is that the greater benefits can be potentially secured through higher participation and therefore the wider the geographic area (minimum of borough wide) the better for residents. Based on this and the 'offer' from Wolverhampton and ichoosr the Executive Director of Regeneration in accordance with Finance and Contract Rules has agreed to use ichoosr (as an Intermediary Provider) to undertake domestic collective fuel switching as a pilot initiative based on:
- a) No fee being charged by ichoosr, Oldham or Wolverhampton Council's to Walsall Council or residents of the borough.
  - b) Any referral fee (income) paid as a result of this pilot initiative relating to borough residents is received by Walsall Council
- 3.4 The Pilot Initiative with ichoosr will help identify the most successful methods to maximise potential 'take-up' by residents of future switching schemes for both the borough and wider West Midlands area. These will be used to develop proposals for procurement of an Intermediary Provider for further collective switching programmes.
- 3.5 The Pilot Switching programme will involve a range of council services helping residents become aware of the option to register and in some cases

registering their interest for them (where they have no access to the internet). The cost of this will be contained within existing resources and through the use of up to £4,000 of Walsall Public Health Healthy Homes funds and £7,000 of DECC revenue funds (Fuel Poverty).

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23<sup>rd</sup> April 2013

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Portfolio holder – Regeneration

23<sup>rd</sup> April 2013