

Single Member Cabinet Decision

Executive
Forward Plan
Reference**E3001****Energy Services: Local Energy Tariff**

Decision maker/s	Cllr Charles Gerrish, Cabinet Member for Finance and Efficiency Cllr Tim Warren, Leader of the Council
The Issue	There is an immediate opportunity to work in partnership to create a local energy tariff backed by the Council. The local energy (electricity and gas) tariff project has the potential to benefit local residents and the Council through: retaining economic benefits locally, supporting delivery of local environmental targets, creating a platform to tackle fuel poverty over time, and generating a concession fee for the Council that will, at minimum, cover marketing costs.
Decision Date	On or after 23 rd September 2017
The decision	The Cabinet Members agree to: <ul style="list-style-type: none">• Confirm agreement to the delegated authority (Strategic Director - Resources) to award the contract to the preferred bidder for the local energy tariff project, in line with the Council's Contract Standing Orders, following the completion of market testing and a thorough procurement dialogue process, which has tested the issues raised by Cabinet members.
Rationale for decision	<p>The Local Energy Tariff project sits within the Council's Energy Services programme. The objectives of the overall Energy Services programme are to contribute to the following local benefits over time:</p> <ul style="list-style-type: none">• Retention of a greater proportion of the area's £153m electricity and gas expenditure in the local economy• Reduced energy costs – particularly for those residents on higher cost pre-payment meter tariffs, who are typically lower income, more vulnerable and fuel poor• Better return for local renewable energy generators, by enabling a better match between local generation and demand, increasing investment and jobs potential and helping deliver the Core Strategy renewable energy target• Reduced carbon emissions• Improved local resilience in the face of future price shocks and rising trends in energy bills• Support for the transition to a low-energy, efficient and competitive local economy• Cost recovery for the Council for marketing <p>As detailed in the associated Weekly List Report, the Local Energy Tariff project's first offer will be a local, good value gas and electricity tariff, comprising electricity that is 100% green and which undercuts other leading green tariffs. The community benefits of this offer are:</p> <ul style="list-style-type: none">• Is a simple offer: local, good value and 100% green energy tariff

	<ul style="list-style-type: none"> • Helps to meet Council policy objectives and the administration's manifesto commitments • Is the best way to support green energy generation locally at the current time • Enables long-term flexibility and potential for new local energy projects in future.
Financial and budget implications	<p>The procurement and set-up costs for the Local Energy Tariff scheme are covered by the existing Energy Services Strategic Review one-off budget. Once set-up, the Council's marketing costs will be covered by the revenue generated from the concession fee.</p> <p>The Local Energy Tariff project will generate revenue, beyond marketing costs, of £5k in 2017/18 rising to £24k in 2019/20.</p>
Issues considered (these are covered in more detail in the report)	Social Inclusion; Sustainability; Equality (age, race, disability, religion/belief, gender, sexual orientation); Corporate.
Consultation undertaken	Cabinet colleagues; Staff; Community Interest Groups; Stakeholders/Partners; Other Public Sector Bodies; Section 151 Finance Officer; Chief Executive; Monitoring Officer.
How consultation was carried out	Senior Management Team, Energy Services Senior Advisory Group, Energy Services Project Working Group, Environmental Sustainability Partnership Board, staff consultations via meetings and workshops.
Other options considered	<ul style="list-style-type: none"> • Collective Switching Campaign – however, this offers less opportunity to tailor the offering to local needs, including less opportunity to offer benefits over time to households on pre-payment meters. Switching campaigns have been considered but rejected previously by B&NES Council for these reasons. • Becoming a licensed energy supplier – however, this option would require substantial investment and exposes the Council to considerable financial risk, which the Energy Services Study (conducted as part of the Council's Strategic Review) concluded was inappropriate for a Council the size of B&NES. • Do nothing – however, this option misses opportunities to deliver significant local benefit and was not considered consistent with current strategies. • Oil heating – the option to extend this scheme to include heating oil was considered, but since the heating oil market operates separately from the electricity and gas supply markets (involving different companies and regulatory regime) a separate procurement process would be required.
Declaration of interest by Cabinet Member(s) for decision, including any dispensation granted:	Cllr Charles Gerrish has a personal interest as a share-holder in one of the preferred bidder's sub-contractors.

Any conflict of interest declared by anyone who is consulted by a Member taking the decision:	None
--	------

Signatures of Decision Makers	
--------------------------------------	--

Date of Signature	
--------------------------	--

Subject to Call-in until 5 Working days have elapsed following publication of the decision