

Report to: Lead Member for Transport and Environment

Date of meeting: 19 June 2017

By: Director of Communities, Economy and Transport

Title: Sussex Energy Tariff

Purpose: To recommend to Lead Member that East Sussex County Council becomes a partner in marketing the Sussex Energy Tariff to residents.

RECOMMENDATION:

Lead Member is recommended to agree that the County Council becomes a partner in marketing the take up of the Sussex Energy Tariff to residents.

1 Background Information

1.1 In 2013 Cabinet agreed that the County Council should join the Your Energy Sussex partnership (YES). The partnership is led by West Sussex County Council and includes other Sussex Local Authorities. Its main objectives are to reduce fuel poverty, improve business energy efficiency and improve the energy efficiency of the buildings owned by the individual partners. This decision supports the County Council's priorities to drive economic growth, help residents and businesses to become more resilient, and to make better use of our own resources, and supports East Sussex County Council's existing programmes on fuel poverty, business energy efficiency and energy efficiency of its own estate.

1.2 To date, YES has delivered significant investment in West Sussex, including two solar farms, solar photovoltaic (PV) systems on 48 schools, and PV systems on 225 social housing properties in Crawley. There has been very limited investment via YES in East Sussex, because of procurement restrictions to using YES contractors, the retraction of the national Green Deal programme and national changes to funding of fuel poverty measures. However, East Sussex County Council has maintained its own programmes on fuel poverty as well as delivering energy efficiency within its own estate and assisting local businesses to do the same.

2 Supporting Information

2.1. West Sussex County Council is now planning to develop a 'Sussex energy tariff' and is seeking the support of YES partners to promote it to local residents. The main objectives of the tariff are to encourage local residents to save money by switching to more competitive rates and to provide a mechanism for organisations and businesses that generate electricity in Sussex to supply what they generate within Sussex. West Sussex County Council is proposing to procure a set of 'Sussex tariffs' through a registered national energy supplier, via the formal EU procurement process, and is aiming to have them available from November 2017. The type of tariffs may include pre-payment, fixed and possibly a green tariff, with rates being as competitive as possible but unlikely to be the lowest in the market.

2.2 West Sussex County Council would enter into a contract with the supplier. No YES partners would enter into any contractual relationship and East Sussex County Council would not make or receive any payments to or from other parties. There would, therefore be no financial implications for the County Council. The County Council's role would be to promote the take up of the service by residents, for example through existing channels such as the 'Your County' magazine and social media. The main risk is probably to the County Council's reputation, should the supplier procured by West Sussex County Council deliver a poor quality service. However, the County Council will be able to withdraw completely from supporting the scheme, at any stage and with no notice, should it choose to do so.

2.3 Other Local Authorities in England have set up similar schemes, for example Peterborough City Council and Cheshire East Council. The main issue, to date, has been that they have achieved limited market penetration (eg. 1-5%), though these schemes are still relatively new. The key challenge is to encourage those people who are on uncompetitive rates to switch to a better rate, which could be any rate and not just the rates that would be on offer via YES, in order to benefit from estimated average annual savings of £200 per household.

2.4 So far the following Local Authorities in Sussex have formally agreed to support and promote the Sussex Tariff scheme: Arun District Council, Brighton & Hove City Council, Chichester District Council, Crawley Borough Council, Hastings Borough Council and Horsham District Council.

3 Conclusion and Reasons for Recommendations

3.1 Lead Member is therefore recommended to agree that the County Council becomes a partner in marketing the Sussex Energy Tariff, to enable local residents to make financial savings by reducing their energy bills.

RUPERT CLUBB

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None.