

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2205

Title: Promoting switching to vulnerable people in partnership with Citizens Advice

Executive Summary:

Thousands of Londoners, including many vulnerable to fuel poverty, continue to pay more than they need to for energy. The Competition and Markets Authority estimates that 70 per cent of domestic customers could save as much as £300 per year by switching supplier. Many Londoners are on typically more expensive prepayment meters, and the switching rate in London is low compared to other regions. Before the Mayor's energy supply company is launched later this year, there is a need to engage vulnerable people across London to realise significant savings through switching energy supplier or tariff.

The GLA's new Fuel Poverty Support Fund will help four London boroughs (Croydon, Islington, Kingston, and Lewisham) expand their existing fuel poverty advice and referral programmes to cover all of London. They will provide energy advice, direct energy efficiency interventions, access funding such as the Mayor's Warmer Homes scheme and solve complex energy problems such as debt and billing disputes. The GLA now has an opportunity to promote switching generally and direct vulnerable people to our new funded programmes, particularly in areas of East London which are underserved by current referral systems. The GLA would like to fund Citizens Advice who are well placed to reach vulnerable people and has a strong track record of delivering energy advice. GLA funding will enable Citizens Advice to maintain a London Champion post to train advisors and run community sessions over 12 months from April 2018.

Decision:

That the Assistant Director of Environment approves expenditure of up to £20,000 as a grant to Citizens Advice to deliver switching advice to vulnerable people in East London.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

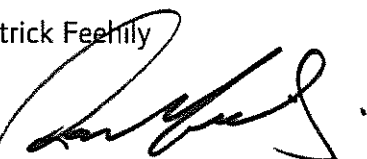
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Patrick Feehily

Position: Assistant Director of Environment

Signature:



Date:

6/3/2018

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

Helping Londoners get a better deal on their electricity bills is a major driver behind setting up an energy supply company and the broader Energy for Londoners workstream. While the supply company is not yet available, the Mayor has committed to helping Londoners switch to get the best deal. Previous campaigns, including the government's 2015 "Be an Energy Shopper", have struggled to engage with the most vulnerable people, who often have the most to save.

The GLA's Fuel Poverty Support Fund will help key boroughs provide energy advice, direct energy efficiency interventions, access funding and solve complex energy problems. However, assistance in some parts of London will remain limited due to relative borough inactivity and this is particularly true in East London. To help overcome this the GLA would like to help reach vulnerable people but has no direct way of practically doing this.

Other programs particularly the Energy Best Deal (EBD) and the Big Energy Saving Network (BESN), are already attempting to address this problem. Both provide workshops and one-to-one (under Energy Best Deal Extra) advice sessions. In London, around half the EBD and one-third of the BESN delivery organisations are based in Citizens Advice offices. The others are primarily delivered through local community groups. Citizens Advice, therefore, has a unique ability to provide a co-ordinated service across London through the work of a London Energy Champion.

The existing London Energy Champion is currently funded by redress money, raised through fines levied on energy suppliers by Ofgem for non-compliance with their licence conditions. Ofgem redistribute these fines to help vulnerable customers. The funding allocated for the Energy Champion program from these fines terminates however in March 2018 and new funding hasn't been allocated, partly due to a lack of significant fines in recent years.

In 2017, the Citizens Advice's Energy Best Deal program, co-ordinated by the London Energy Champion helped:

- Over 900 clients switch suppliers or tariffs
- Nearly 800 clients get the Warm Home Discount or join the Priority Services Register and
- 168 clients get help with energy efficiency (including via the ECO offer)

The GLA has budget to ensure the Energy Champion program continues beyond the end of March 2018 and complements the GLA Fuel Poverty Support Fund by increasing the reach of energy advice (focusing on switching) to vulnerable Londoners, particularly in underserved areas of East London.

2. Objectives and expected outcomes

The objective of this grant is to encourage Londoners, particularly those vulnerable to fuel poverty to reduce their energy costs through switching suppliers or energy tariffs. Funding Citizens Advice over twelve months could enable:

- Training of 120 advisers to become energy specialists, particularly in Citizens Advice offices of East End (Tower Hamlets and Newham), Redbridge, Havering and Barking & Dagenham
- Delivery of specialist energy advice to 1,800 people at Citizens Advice offices and promotional events, focusing in East London
- Referral of at least 100 people to SHINE¹ the pan-London fuel poverty referral system operated by Islington

¹ <https://shine-london.org.uk/>

3. Equality comments

More than 335,000 London households are fuel poor. Research for the draft Fuel Poverty Action Plan suggests that certain groups suffer disproportionately from fuel poverty. BME groups, lone parents and those with long-term illnesses or disabilities are particularly affected. Fuel poverty amongst these groups is up to double the average.

Citizens Advice clients are four times more likely than average to be on a low income. They are also twice as likely to be digitally excluded². This is particularly problematic in the energy system which now advantages online billing, switching and account management.

Citizens Advice will record the demographics of their clients to help track the effectiveness of engaging vulnerable people in switching.

4. Other considerations

a) Key risks and issues

Risk/issue	Mitigating actions
1. We only postpone the lack of funding issue for the Energy Champion program.	<ul style="list-style-type: none">As the GLA funding is announced, we could also call on Ofgem and BEIS to provide more stable funding to switching advice services, particularly EBD and BESN, so that they can continue to support co-ordinated roles like the Energy Champion
2. The funding we provide to Citizens Advice conflicts with the Fuel Poverty Support Fund, confusing the journey for customers who need energy support in London	<ul style="list-style-type: none">The agreement with Citizens Advice includes specific targets for referrals to SHINE as well as a clear steer to focus on switching advice rather than more detailed energy advice
3. We fund Citizens Advice for a year long project that ends up running into the launch of the Energy Supply Company	<ul style="list-style-type: none">The funding agreements includes a six month review to allow officers to consider the introduction of the energy supply company and how it might impact the Citizens Advice programme.

5. Financial comments

Assistant Director's approval is sought for expenditure up to £20,000 to fund Citizens Advice to deliver switching advice to vulnerable people in East London. This will be funded from the Environment Energy Efficiency Behaviour Change budget, paid in 2018-19. It is expected to be delivered by the end of 2018 - 19.

² <https://www.citizensadvice.org.uk/about-us/difference-we-make/impact-of-citizens-advice-service/all-our-impact/>

6. Planned delivery approach and next steps

Activity	Timeline
Award grant	February 2018
Inception meeting	March 2018
Three month review	June 2018
Six month review	September 2018
Nine month review	December 2018
Final review	March 2019

Appendices and supporting papers: None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:**Drafting officer:**

Clare Silcock has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

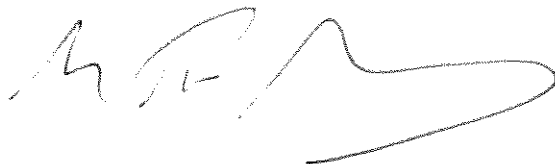
Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 26 February 2018.

HEAD OF FINANCE AND GOVERNANCE:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

28.02.18

