

## Appendix 1: Equality Impact Assessment

<b>Department:</b> Strategy, Partnerships and Improvement	<b>Person Responsible:</b> Helen Sankey
<b>Service Area:</b> Policy and Performance	<b>Timescale for Equality Impact Assessment :</b>
<b>Date:</b> 6 November 2012	Completion date: 13 November 2012
<b>Name of service/policy/procedure/project etc.:</b>  Collective Energy Switching Scheme	<b>Is the service/policy/procedure/project etc.:</b> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <span>New <input checked="" type="checkbox"/></span> <span>Old</span> </div>
<b>Predictive</b> <input checked="" type="checkbox"/>  <b>Retrospective</b>	<b>Adverse impact</b> Not found <input checked="" type="checkbox"/> Found  Service/policy/procedure/project etc., amended to stop or reduce adverse impact Yes No <input checked="" type="checkbox"/>
<b>Is there likely to be a differential impact on any group?</b> Yes No <input checked="" type="checkbox"/>	Please state below:
1. <b>Grounds of race:</b> Ethnicity, nationality or national origin e.g. people of different ethnic backgrounds including Gypsies and Travellers and Refugees/ Asylum Seekers Yes No <input checked="" type="checkbox"/>	2. <b>Grounds of gender:</b> Sex, marital status, transgendered people and people with caring responsibilities Yes No <input checked="" type="checkbox"/>
3. <b>Grounds of disability:</b> Physical or sensory impairment, mental disability or learning disability Yes No <input checked="" type="checkbox"/>	4. <b>Grounds of faith or belief:</b> Religion/faith including people who do not have a religion Yes No <input checked="" type="checkbox"/>
5. <b>Grounds of sexual orientation:</b> Lesbian, Gay and bisexual Yes No <input checked="" type="checkbox"/>	6. <b>Grounds of age:</b> Older people, children and young People Yes No <input checked="" type="checkbox"/>
<b>Consultation conducted</b> Yes No <input checked="" type="checkbox"/>	
<b>Person responsible for arranging the review:</b> Judith Young	<b>Person responsible for publishing results of Equality Impact Assessment:</b> Helen Sankey
<b>Person responsible for monitoring:</b> N/A	<b>Date results due to be published and where:</b> N/A

### 1. What is the service/policy/procedure/project etc. to be assessed?

Collective Energy Switching Scheme

2. Briefly describe the aim of the service/policy etc.? What needs or duties is it designed to meet? How does it differ from any existing services/ policies etc. in this area

Every year, people in the UK waste £4 billion on their energy. Energy bills are now one of the biggest costs that families face, but the complexity of the various tariffs on offer, currently over 400, means that 80 per cent of people are paying too much for their energy.

Households are now spending twice as much on power to their homes than they were ten years ago, and more than 5m households in the UK are estimated to spend more than 10 per cent of their income on energy and are classified as living in 'fuel poverty'. In response, and following the successful development of other local authority-led collective switching schemes (such as in Cornwall), Secretary of State, Edward Davey, has written a letter to all Local Authorities encouraging them to get involved in collective purchasing and switching schemes to help residents get a better deal on their energy bills: [Letter to Local Authorities from Edward Davey, 25 July 2012.](#)

Cuts to benefits and lower wages mean that many people will turn to debt to pay the bills. Furthermore, the government's package of welfare reform measures will have a disproportionate impact in Brent – over 3,000 households in Brent are at risk of losing their homes from April 2013. Combined with changes to the Council Tax benefit regime many Brent residents will be significantly worse off.

Our social care services will continue to come under considerable strain.

Brent's population makes it more imperative that its residents' costs are able to be kept as low as possible:

- median earnings for employees living in Brent are significantly lower than average in London – £493.60/wk in Brent in 2011, compared to £610.20/wk in London as a whole. (GLA figures show Brent has the second lowest levels of pay in London with 30% of employees earning less than the London Living Wage)
- the average rent level for a 2-bed property in Brent is £1,344, which is 74% of median earnings
- rents in Brent are increasing 2.9% per year – they are now the 5<sup>th</sup> highest in London
- 3,000 households will see a reduction in their housing benefit from the cap
- at least 1,000 families in Brent will have less income under universal credit of up to £83 per week from 2013
- an 11% increase is predicted in the population aged 65+ between 2012 and 2020 (most of these age group will no longer be receiving a salary).

These statistics show that Brent's residents are likely to be even more financially challenged than others across the country – it will therefore be imperative for them to be able to reduce as many outgoings as possible, by as much as possible.

It is often the least wealthy who use the least energy but pay the most for the energy that they do use. Households that need to spend more than 10% of their income on energy costs in order to meet a prescribed standard of warmth are referred to as 'fuel poor'. Fuel poverty is a major social problem, causing and exacerbating financial hardship and negative health and well-being impacts as well as impeding efforts to reduce carbon emissions. In 2009, 7.7 million individuals in 2.7 million households were fuel poor, on low incomes and faced energy costs amounting to £1.1 billion higher than those of middle/higher income people with typical costs – an average fuel poverty gap per household of £415. It is hoped that this scheme will help to address this imbalance and reduce the energy bills of those who participate.

Setting up a collective switching scheme for Brent's residents and businesses would fit perfectly with Brent's three priorities<sup>1</sup>, and tackling residents' financial issues. By negotiating

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<sup>1</sup> Brent Council's work is to be guided by three priorities:

a better price for residents' energy the people of Brent can be offered a fairer price for their energy, which will help the prosperity of the borough and with tackling residents' debt problems. Such a scheme could also be part of the development of a radical change in our approach to social care, putting the emphasis on preventing the need for care services.

The key benefits of a collective switching scheme are:

- residents can make savings on their energy bills
- it may help reduce the number of people in fuel poverty
- it may help to reduce the demand on social services
- it provides another way of getting the messages about energy efficiency, managing personal finances, etc. out to residents
- it may help increase partnership working in the borough, as organisations work together to promote and develop the collective switching scheme.

### 3. Are the aims consistent with the Council's Comprehensive Equality Policy?

The aim of the collective energy switching scheme is to enable residents to make savings on their energy bills and to help reduce the number of people in fuel poverty. The scheme will be promoted to all residents and made accessible via multiple methods, to avoid exclusion of certain groups of people. This vision is consistent with the aims of the Council's Comprehensive Equality Policy.

### 4. Is there any evidence to suggest that this could affect some groups of people? Is there an adverse impact around race/gender/disability/faith/sexual orientation/health etc.? What are the reasons for this adverse impact?

There is no adverse impact on any of the protected characteristics groups. The scheme is available to everyone and is aimed at helping and encouraging those less likely or able to switch services to ensure that they pay competitive prices for their services.

Up until this month, customers who were in debt to their energy supplier of more than £200 were prevented from switching suppliers. This would have excluded some families from participating in the switch. However, this threshold has now been raised to £500 with effect from 1 November 2012, allowing potentially tens of thousands more households nationally to be able to switch to a better tariff if they find a cheaper deal.

The following will be undertaken to ensure equal access to the scheme:

- promotion via Brent Magazine, Brent website, posters (e.g. in libraries, One Stop Shops, etc.), BHP, Housing Associations, etc., to make awareness of the scheme as high and equally accessible as possible
- to ensure that residents can sign up via more traditional methods, to supplement expressing interest online (e.g. paper forms will be made available, and it is hoped that registration will also be able to take place via telephone)

### 5. Please describe the evidence you have used to make your judgement. What existing data for example (qualitative or quantitative) have you used to form your judgement? Please supply us with the evidence you used to make your judgement separately (by race, gender and disability etc.).

- 1) to make Brent a fairer place – tackling inequality and injustice and ensuring all our residents have the opportunities they are entitled to expect in London today;
- 2) to pursue growth and prosperity for the Borough. This means more jobs, more opportunities and better pay across Brent;
- 3) to preserve and strengthen our sense of community.

Similar schemes that have been set up by other local authorities have been used as case studies to help with researching the undertaking of collective energy switching scheme, to include aspects that will prevent exclusion of certain groups of people, and to help form this judgement.

6. Are there any unmet needs/requirements that can be identified that affect specific groups? (Please refer to provisions of the Disability Discrimination Act and the regulations on sexual orientation and faith, Age regulations/legislation if applicable)

There are no unmet needs that can be identified that affect specific groups.

7. Have you consulted externally as part of your assessment? Who have you consulted with? What methods did you use? What have you done with the results i.e. how do you intend to use the information gathered as part of the consultation?

No consultation has taken place. This project was carefully researched for best practice by speaking to several other local authorities that have set up similar collective energy switching schemes (Cornwall, Tower Hamlets and Oldham).

8. Have you published the results of the consultation, if so where?

N/A

9. Is there a public concern (in the media etc.) that this function or policy is being operated in a discriminatory manner?

There is currently no public concern that the Collective Energy Switching scheme will be operated in a discriminatory manner.

10. If in your judgement, the proposed service/policy etc. does have an adverse impact, can that impact be justified? You need to think about whether the proposed service/policy etc. will have a positive or negative effect on the promotion of equality of opportunity, if it will help eliminate discrimination in any way, or encourage or hinder community relations.

There is no evidence to suggest that the strategy itself will have an adverse impact. There is a risk that such a scheme will appeal more to more educated, wealthier households – it will therefore be important to place a particular emphasis on promoting and explaining the scheme to less economically mobile households (e.g. through housing associations, etc.).

11. If the impact cannot be justified, how do you intend to deal with it?

N/A

12. What can be done to improve access to/take up of services?

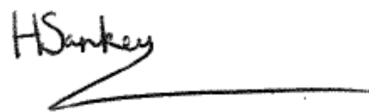
There is a risk of people not trusting energy companies enough to make a switch in energy provider; sometimes people prefer to remain paying what they are doing rather than to undergo change and the uncertainty of the cost of energy bills – even with the assurance that their bills will be lower if they switch. It will therefore be important to undertake the following:

- promote the scheme to develop general awareness of the collective energy switch for Brent residents
- provide sufficient information about the scheme that people feel able to trust it
- give residents access to a helpline to ask any questions they may have
- make it clear that expressing interest does not commit people to making a switch after the reverse auction has taken place.

<b>13. What is the justification for taking these measures?</b>
The main justification for taking these measures is to reduce the energy bills of Brent residents and to help poorer households out of fuel poverty.
<b>14. Please provide us with separate evidence of how you intend to monitor in the future. Please give the name of the person who will be responsible for this on the front page.</b>
The demographics of participating residents will be collected and monitored to assess the equality of the project. Information regarding the amount residents who sign up for the scheme currently pay for their energy will also be gathered; this will be compared with what they pay for their energy after the reverse auction has occurred and the switch has taken place. This data will enable us to monitor the level of success of the scheme to reduce residents' energy bills, and in encouraging more economically disadvantaged families to switch their energy supplier, to get a better deal. Numbers of participants will also be monitored.
<b>15. What are your recommendations based on the conclusions and comments of this assessment?</b>
It is recommended that this EIA is reviewed after the first switching of Brent residents' energy providers has taken place.
Should you:
<b>16. If equality objectives and targets need to be developed, please list them here.</b>
The objectives are to: <ul style="list-style-type: none"> <li>• encourage sign-up from residents of all levels of wealth and income</li> <li>• to help to reduce fuel poverty in Brent.</li> </ul>
<b>17. What will your resource allocation for action comprise of?</b>
This is to be agreed after the paper has been taken to Executive.

If you need more space for any of your answers please continue on a separate sheet

Signed by the manager undertaking the assessment:



Full name (in capitals please): Helen Sankey

Date: 6 November 2012

Service Area and position in the council: Strategy, Partnerships and Improvement - Environmental Projects and Policy Officer

Details of others involved in the assessment - auditing team/peer review:

Once you have completed this form, please take a copy and send it to: **The Corporate Diversity Team, Room 5 Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD**

***An online version of this form is available on the Corporate Diversity Team website.***