

Appendix 2: Collective Energy Switching Options

Brent Council has two main options available as to how to progress with the introduction of a collective energy switching (CES) scheme:

- To set up a scheme specifically for Brent residents (possibly in partnership with Energy Solutions, or directly with an energy switching provider such as iChoosr)
- To participate in a switching scheme with other local authorities in England.

There are pros and cons of each option, as outlined below.

Setting up a scheme specifically for Brent residents only:

Pros	Cons
Can plan and develop the scheme, promotions, etc. specifically to Brent and the borough's needs, etc.	Very unlikely to get 5,000 households interested in making the switch – but this is a minimum number needed to go to reverse auction
Can develop and roll out the scheme to suit our own timings	Will require much more financial investment than if entering into a collective switching scheme with other councils
	Will need a much greater investment of time and staff resource from Brent Council
	Expertise is required, which is not held within the council
	Likely to end up undertaking work that is just 'reinventing the wheel', with many other councils having undertaken such schemes and developed the necessary skills, etc.
	Reputational risk if things go wrong; switch is unable to happen, etc.

Joining in a collective switching scheme with other authorities:

Pros	Cons
Can 'piggy back' on the skills, research and experience of others – don't need the expertise in Brent	Less control over the scheme – have to fit with what has already been planned, pre-arranged timings, etc.
Will not matter how many Brent residents we have signed up to the scheme, as numbers will be supplemented by other council residents	May have less time to promote the collective energy switch – e.g. Oldham Council are undertaking their next reverse auction in January 2013
Better buying power with a higher number of households from across the country/region undertaking the switch – should get a much better deal for our residents through economies of scale	
Can share resources e.g. promotional	

literature	
Cheaper than setting up own scheme	
Likely to be much less time-consuming than developing own scheme	
Less reputational risk as not run directly by the council	

If joining in a collective switching scheme with other authorities, there are 2 options:

- 1 establishing a new scheme with those other authorities; or
- 2 joining a pre-existing set up by another authority.

Oldham Council have already set up a collective energy switching scheme (in partnership with iChoosr) that they are encouraging other councils to participate in with them. Numerous other councils have already expressed an interest to take part with them (e.g. Greater Manchester Combined Authority, Tower Hamlets, etc.). Oldham Council held a briefing session on 23rd October to encourage further councils to join their collective switching scheme. They are due to go to auction (their second) in January 2013 with a third planned in April 2013.

Other London boroughs are interested in taking part in a collective switching scheme (e.g. Tower Hamlets have already started promotions and residents are signing up (they may join in with the Oldham's auction, to supplement numbers); Havering have signed up to Peterborough City Council's scheme; Haringey, Sutton and Enfield are all interested in setting something up).