

ANGUS COUNCIL

HOUSING COMMITTEE - 6th OCTOBER 2005

RESOURCES & CENTRAL SERVICES COMMITTEE – 20 OCTOBER 2005

FEASIBILITY STUDY FOR FUEL BUYERS CLUB

REPORT by DIRECTOR OF HOUSING

ABSTRACT

This report proposes undertaking a feasibility study to develop a fuel buyers club in Angus

1. RECOMMENDATION

It is recommended that the Housing Committee:

- approve the appointment of a consultant to carry out a feasibility study into the viability of developing a fuel buyers club in Angus subject to confirmation of the proposed funding arrangement by the Resources & Central Services Committee.

It is recommended that the Resources & Central Services Committee:

- agree that the cost of the feasibility study, estimated at £10,000, be met from the 2005/06 Miscellaneous Other Services Revenue Budget.

2. BACKGROUND

Although the majority of houses in Angus are served by the mains gas network, there are still a substantial number in the rural area where a mains gas supply is not available. These households therefore have to rely on fuels other than mains gas to heat their homes, usually in the form of electricity, oil, liquid propane gas (LPG) or solid fuel. Of these fuel types, oil and LPG not only have the largest fluctuations in price, but also have tended to be much more expensive than other types of fuel for the last few years, due to the spiralling price of oil on the international markets. This can make it difficult for householders to afford to heat their homes, and can lead to them falling into fuel poverty and debt.

3. FUEL BUYERS CLUB

To address the potential social inequalities between urban and rural areas that this difference in heating cost can cause, it is proposed that the Council commission consultants to investigate the feasibility of developing a fuel buyers club in Angus.

The feasibility study will be required to:

- Determine consumer demand to establish and participate in a community organisation, which could act initially as an enabler/facilitator for communities to access preferential rates and/or services with suppliers.
- Carry out a scoping study to determine the influence that a community organisation could have in the energy market.

- Determine the opportunity and requirements to operate as a web based 'community organisation'. This should consider technology requirements for the community organisation, community and individual consumer access.
- Determine potential revenue streams to support the group and lead to its sustainable future. This should consider possibility of registration fees and referral payments from suppliers, bulk procurement organisations or other energy agencies.
- Determine the potential for a wider remit such as acting as the catalyst in the development of district heating and/or renewable energy and/or energy efficiency schemes, operated by and for the benefit of local communities.

The final report should provide the business case for or against establishing a community organisation as an enabler for communities to access preferential rates or services with fuel suppliers. The Business case for such a group should include at least two options how the community group could be structured and staffed at operational level.

The outcome of the study and its recommendations would be reported to a future Housing Committee.

4 FINANCIAL IMPLICATIONS

Angus Council tenants would not benefit from the fuel buyers club, as there are no Angus Council houses heated by oil or LPG. Membership of the club would therefore inevitably consist of householders in the private sector and private rented sector. It is therefore recommended that funding for the feasibility study should not be made available from the Housing Revenue Account, but should be met by the General Fund. The projected cost of the feasibility study is £10,000 and it is recommended that this be met from the 2005/06 Miscellaneous Other Services Revenue Budget – Provision for Additional Burdens.

5 HUMAN RIGHTS IMPLICATIONS

It is considered that in following the actions recommended in this report, the Council would not be acting in any way which is thought to be incompatible with Human Rights.

6 EQUAL OPPORTUNITIES

It is considered that in following the actions recommended in this report, the Council would not be acting in any way which is thought to be incompatible with equal opportunities.

7 CONSULTATION

In preparing this report, consultation has taken place with the Chief Executive, Acting Director of Finance, and Director of Law & Administration.

Ron Ashton
Director of Housing

Note:- No background papers, as defined by Section 50d of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information), were relied upon to a material extent in preparing this report.