

Portsmouth City Council

Energy Switching Service

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Portsmouth City Council)

Portsmouth City Council

Cover 15,500 properties across the city of Portsmouth, including 2 key council housing estates outside of Portsmouth.

At least 30% of our properties are systems-built homes and therefore difficult to heat and expensive to insulate

We believe a high proportion of Portsmouth residents are on an expensive standard tariff.

Around 12.5% of Portsmouth residents are in fuel poverty

As a Local Authority, we considered three energy market routes...



Collective
Switching

White
Label

Full
Licence

Collective switching has its problems....

- **Collective Switching** is one-off. It never delivers best value for all customers, and often results in high “drop out”
- We have seen evidence of drop-out rates up to 90% for collective switching exercises in London.
- In a recent investigation following a collective switching exercise for the ‘One Big Switch Scotland’ in which 44,000 customers registered, it was found that the winning bid/tariff didn’t even rank in the top 15 available to households in the catchment area.

White Labelling is coming under increasing scrutiny from OFGEM and customers



The image shows a screenshot of a BBC News article. The page has a red header with the BBC logo and navigation links for Sign in, News, Sport, Weather, iPlayer, TV, and Radio. Below the header, there are sub-navigation links for Home, UK, World, Business, Politics, Tech, Science, Health, Education, and Entertainment. The article title is 'Age UK energy deals with E.On to be examined by regulators', dated 4 February 2016. The article text discusses a claim that Age UK has been promoting unfavourable gas and electricity deals in return for cash, which is being examined by two regulators. It mentions that the Sun newspaper reported that the deals offered by Age UK with supplier E.On were more expensive than the cheapest offers from the firm. The energy regulator Ofgem and the Charities Commission are to examine the deals. Age UK rejected the allegations, while E.On said its tariffs were competitive. The article also notes that in return for selling its energy deals, the Sun alleged that Age UK had received about £6m from E.On.

- Public Sector/Third Sector organisation promoting or offering deals that are not best value risk negative PR and fines from the Regulator!
- A switching service will ensure:
 - the resident is getting best value
 - switching revenues are ploughed back into local community

Full Licence increases the risk...

- **Full Licence** – Issues with starting and maintaining an energy supplier business, especially around customer service initially.
- You also need to be convinced that you will grow a very large customer base to justify the entry cost
- Our analysis suggests that a business will only have long term viability with 50,000+ customers.

The market is extremely volatile with 44 active suppliers now participating in domestic energy supply!

Not one tariff fits all! Each residents' situation is different!

- **Consumption**
- **Payment type** (pay-as-you-go vs. credit)
- **Fuel** (dual fuel vs. electricity only)
- **Profile** (standard vs. Economy 7)
- **Geographic location**
- **Contract preferences:** fixed term or variable tariffs)

...so it is *impossible* for one tariff to be best value in all cases



Portsmouth City Council's Energy Switching Service

- We decided that energy switching delivered the best outcome for PCC and their residents based on the following grounds:
 - Low cost and low risk compared to other alternatives
 - Ensure their residents always benefit from the most advantageous tariff
 - Provide a solution for all stakeholders (15,500 social properties and 187,000 domestic households in Portsmouth)
 - New source of income from commission to re-invest back into the local community

We chose to partner with Agility Eco/UK Power

- The UKPower switching website is approved by the energy industry regulator Ofgem. To achieve this accreditation, it has to be:
 - Higher accuracy score than the industry average of 84% (UKPower's score is 100%)
 - It orders tariff search results by the biggest saving for the customer
 - It's fully comprehensive — any customer can see prices from every licenced domestic energy supplier—regardless of whether or not the supplier pays a commission
- UKPower already provides price comparison engines and databases for existing clients.
- AgilityEco provides client support, management information and facilitates the aggregation of commission.

Once the decision was made we moved swiftly to mobilise the website service

- Having selected our partner, our switching site was developed and tested in less than 1 week <http://switch.portsmouth.gov.uk>
- The service was launched on 1st September 2016- marketing commenced in October
- We are utilising existing communication channels: reaching over 200,000 homes and businesses to promote the service through social media, flyers and posters.
- We are currently trialling the service as a 1 year pilot.

Portsmouth CC Energy Switching Website:

- The Switching site is maintained and updated daily by UKPower
- The site lists all available tariffs
- For the majority of tariffs residents can switch online
- Where this facility is not available they can ring the call centre

Portsmouth CITY COUNCIL

Call us for free on: **0800 860 6859**

Gas and electricity quotes

Please fill in your postcode below to start a free gas and electricity comparison to see how much you can save!

What are you looking to compare?

Gas & Electricity Gas only Electricity only

Enter your postcode **Compare >**

Compare the **Big 6 suppliers** - and many more

British Gas e-on npower
e-on SCOTIA POWER SSE

We are here to help you

Our UK-based call centre staff are trained to help you with expert advice. Just call us on: **0800 860 6859**

WHY US?

We are here to help you

We compare gas and electricity suppliers to help people find the cheapest energy prices, switch to a better deal and cut the cost of their bills!

Got any questions? Call us free on **0800 860 6859**

9 out of 10 people using our energy comparison service can **save money** on their gas & electricity bills!

It's completely free

You'll pay nothing. We get commission from suppliers, and this will not affect the price of any tariff you sign up to using our service.

UKPower.co.uk
The energy price comparison service

This gas and electricity price comparison website is provided in association with www.ukpower.co.uk

The customer journey is simple and straightforward...

80%



Use Online Switching Site



Portsmouth CITY COUNCIL
Call us for free on: 0800 860 6859

1 Your details → 2 Results → 3 Switch → 4 Complete! [Email me these results](#)

We have found 90 tariffs that could save you up to £775.58 per year!

We estimate your personal projection for the next 12-months to be **£2,250.00**. To see how this is calculated, please click here.

Your current plan expires on 31st March 2018 and has a cancellation fee of £40.00 if you switch before 10th February 2018. Please take this into consideration when looking at your savings.

Supplier & tariff	Rate type	Estimated yearly savings	Apply here
e-on E.ON Energy Saver Plus Fixed 1 Year v1 (Paperless Billing)	Fixed for 12 months	You will save £775.58 How much will I pay?	Choose tariff More info
e-on E.ON Energy Saver Plus Fixed 1 Year v1 (Paper Billing)	Fixed for 12 months	You will save £765.58 How much will I pay?	Choose tariff More info
Sainsbury's Energy Price Promise September 2017	Fixed until 30/09/2017	You will save £655.54 How much will I pay?	Choose tariff More info
AVRO ENERGY Simple and Select	Fixed for 12 months	You will save £645.82 How much will I pay?	Not available through this website. Call us free on 0800 860 6859
places 3people energy Together - September 2017 - fixed 35 (Paperless Billing)	Fixed until 30/09/2017	You will save £622.60 How much will I pay?	Not available through this website. Call us free on 0800 860 6859

Resident gets price comparison, selects energy tariff offer and switches

20%



Or call the helpline

Resident Responds to Advertising

Sunita's smiling because the **£407** she saved switching her home energy went towards a dream holiday

SWITCH YOUR ENERGY SUPPLY WITH US, THERE'S A CHANCE YOU COULD SAVE HUNDREDS!

Call FREE on 0800 138 9078 or visit switch.portsmouth.gov.uk

The average saving is £207 per customer based on 2152 customers from UK Power between Jan-July 2016

Portsmouth CITY COUNCIL
AgilityEco ukpower.co.uk

Examples of the PCC Energy Switching marketing campaign



The marketing campaign in action

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Switch your gas and electricity with us and you could **save hundreds***

Phoebe's smiling because she saved **£118** which means she can get that puppy she's had her eyes on

What last made you smile?

With our FREE energy switching service you could save hundreds! The average customer saving is £297, now that's definitely something worth smiling about.

It takes minutes to see what's available, and you could save a lot of money. Our tariffs are updated daily, so you always get the best deal.

Why not try it out today?
Visit switch.portsmouth.gov.uk or to speak to an advisor call free on 0800 138 9078

*UK Power estimates the average saving that customers can expect is £297 per annum (based on 21,152 customer switches between Jan-July 2016)

AgilityEco UK Power.co.uk
The energy price comparison service

A3 display poster

Rob's smiling because the **£270** he saved on his energy bill is going towards a new car

Switch your gas and electricity with us and you could **save hundreds**

WHAT LAST MADE YOU SMILE?

With our FREE energy switching service you could save hundreds! The average customer saving is £297, now that's definitely something worth smiling about. It takes minutes to see what's available, and you could save a lot of money. Our tariffs are updated daily, so you always get the best deal.

Why not try it out today?
Visit switch.portsmouth.gov.uk or to speak to an advisor call free on 0800 138 9078

AgilityEco UK Power.co.uk
The energy price comparison service

A5 flyer

Portsmouth CITY COUNCIL

Simon's smiling because he saved **£247** on his energy bill and is using the money for football tickets

SWITCH YOUR ENERGY SUPPLY WITH US, THERE'S A CHANCE YOU COULD SAVE HUNDREDS!

Call FREE on 0800 138 9078 or visit switch.portsmouth.gov.uk

The average saving is £297 per customer based on 21,152 customers from UK Power between Jan-July 2016

AgilityEco UK Power.co.uk
The energy price comparison service

Facebook/Social Media advert

Rob's smiling because the **£270** he saved on his energy bill is going towards a new car

What could you do with 297? Switch with us and you could save too.

Winter can be an expensive time for families. Discounts on what electricity prices have seen a significant increase over the past 10 years. Whilst energy saving bulbs, LED lighting and changes to the manufacturers of appliances have helped play a part in reducing energy consumption, many families still struggle with their energy costs.

One of the easiest ways to protect your household from sky high energy bills is to make sure you're getting the best possible deal. If you haven't changed your tariff in a while, our new free switching service could save you hundreds.

We've partnered with experts UK Power, they search the market to find up-to-date deals that will reduce what you spend on gas and electricity bills.

The average saving based on 21,152 of their customers between January 2016 is £297. What could you do with that kind of money?

Compare prices on our website and switch online, or over the phone - it's up to you.

How it works

1. Dig out your old bill.
2. Go to switch.portsmouth.gov.uk - fill in a few details about your energy supply. Start with entering your postcode.
3. All the free phone number on 0800 138 9078 - we are here to help you.

You choose a tariff you like, then we take care of the switch and your energy bills go down - you have bills are updated daily, so you always see the best deal.

Best of all, we take care of everything, you don't even need to tell your current energy provider, it's all done for you.

There's no commitment by checking our deals, so what have you got to lose? Give it a go and see what you could save.

From Times | Winter 2016 | 16

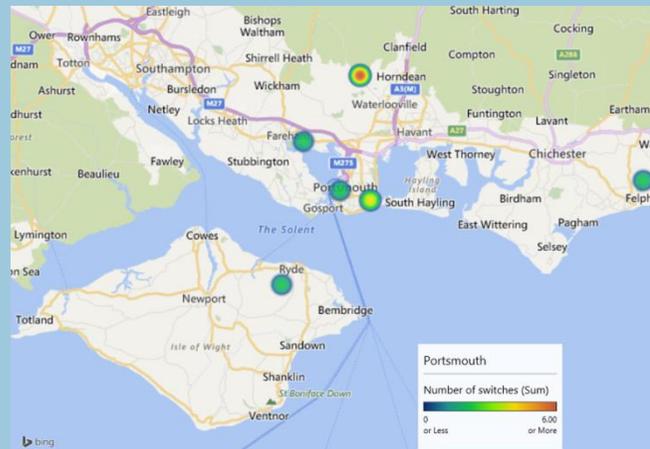
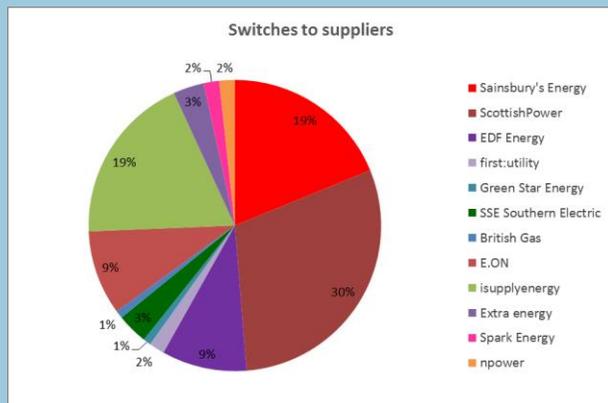
Article in Portsmouth's "House Talk" magazine

We have full transparency of switching activity and access to a tracking portal

- Access to our own tracking portal website

Reference	Affiliate tracking ID	Date	Supplier	Name	Postcode	Fuel	Campaign	Referrer code	Gas Status	Elec Status	Savings
DEY8CSJVT		22/10/2016	E.ON			Gas and Electricity	Portsmouth City Council		Pending	Pending	£444.59
DEQNAMZFAQ		25/10/2016	EDF Energy			Gas and Electricity	Portsmouth City Council		On Supply	On Supply	£350.68
DEDPQHDMB		01/11/2016	ScottishPower			Gas and Electricity	Portsmouth City Council		Pending	Pending	£296.55
DE36CCU3YU		02/11/2016	ScottishPower			Gas and Electricity	Portsmouth City Council		Pending	Pending	£131.29
DEKHHYBK GK		07/11/2016	isupplyenergy			Gas and Electricity	Portsmouth City Council		Pending	Pending	£257.80
DEHPNSJPAM		08/11/2016	isupplyenergy			Gas and Electricity	Portsmouth City Council		Pending	Pending	£385.32
DE8VB6HBPX		11/11/2016	isupplyenergy			Gas and Electricity	Portsmouth City Council		Pending	Pending	£118.69
DERDR4AEVM		12/11/2016	Sainsbury's Energy			Gas and Electricity	Portsmouth City Council		Pending	Pending	£124.27
DESSG97RGX		07/10/2016	E.ON			Gas and Electricity	UKP Portsmouth City Council - Staff		On Supply	On Supply	£284.46
DEFZXRJ2SW		10/10/2016	E.ON			Gas and Electricity	UKP Portsmouth City Council - Staff		On Supply	On Supply	£252.58
DEVRM2TPDK		17/10/2016	Sainsbury's Energy			Gas and Electricity	UKP Portsmouth City Council - Staff		On Supply	On Supply	£142.66
DE43CN3SE2		21/10/2016	Sainsbury's Energy			Gas and Electricity	UKP Portsmouth City Council - Staff		On Supply	On Supply	£400.98
DE5B3SB467		21/10/2016	isupplyenergy			Gas and Electricity	UKP Portsmouth City Council - Staff		Pending	Pending	£101.37
DEQJ8SA4ZP		24/10/2016	Sainsbury's Energy			Gas and Electricity	UKP Portsmouth City Council - Staff		Pending	Pending	£299.35
DE7PN63HH		10/11/2016	ScottishPower			Gas and Electricity	UKP Portsmouth Door Drop		Pending	Pending	£239.74
DE9PRAZ6G6		14/11/2016	isupplyenergy			Gas and Electricity	UKP Portsmouth Door Drop		Pending	Pending	£419.84
DEAWV8SNBV		14/11/2016	EDF Energy			Gas and Electricity	UKP Portsmouth Door Drop		Pending	Pending	£278.14
DE9ET59MEF		15/11/2016	ScottishPower			Gas and Electricity	UKP Portsmouth Door Drop		Pending	Pending	£70.41
DEJWVGTQ5C		15/11/2016	isupplyenergy			Gas and Electricity	UKP Portsmouth Door Drop		Pending	Pending	£243.70

- AgilityEco produce a monthly report to summarise switches



The early results have been very encouraging

- > Overall the average bill saving is coming out at **£236.67**
- > The highest annual saving is **£916.76**
- > The lowest is **£2.15** (slightly surprising that householders switch for this level of reward)
- > So far PCC residents have moved to **12** different companies (mixture of big 6 and smaller companies)
- > **98%** of switchers are dual fuel - switching both their gas and electric
- > Following the launch of the Portsmouth site a similar project is being rolled out for Gosport residents
- > Actual switching numbers are still relatively modest at **<150** but momentum growing

Income back into local authority services...

Receive commission from energy supplier of £26.26 per dual fuel switched online



Base fee of £14 per dual fuel switch by telephone



Rising as switching volumes increase:

Increases by £2 for volume above 500 switchers per month



Increases by £4 for volume above 1000 switchers per month



What we have learnt

- Fuel switching is the only way to offer residents 'best value' advice every time as the market is so dynamic and fast moving.
- Vulnerable households need 1-2-1 assistance and will most likely utilise call centre option or support through home visits.
- Switching doesn't happen on its own – you need to optimise as many existing and new communication channels as you can and keep the message relevant and front of mind
- Set-up costs are minimal but you must be prepared to dedicate resource time to launch and maintain the service

To Summarise...

Our Energy Switching Service allows us to instantly help our residents save money through the help of a trusted local authority service.

Switching energy supplier is quick, easy and hassle-free, taking just minutes to use the service.

Extra support is provided through our frontline staff and partner agencies, who can offer 1-2-1 help to residents who need that extra support to switch their supplier confidently.

Many of our residents struggle with high energy bills and this switching service compliments the other in-depth support we provide.

Any Questions?

Please contact: andrew.waggott@portsmouthcc.gov.uk
with any further questions