

Report of:	Meeting	Date	Item No.
Mark Broadhurst, Service Director Health and Wellbeing	Overview and Scrutiny Committee	5 December 2016	5

Comparing Residential Energy Tariffs and Switching Energy Suppliers – Options for Residents
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1. Purpose of report

- 1.1 To provide Committee with an overview of comparing energy tariffs and switching energy suppliers – options for residents.

2. Why compare energy tariffs and switch energy suppliers?

- 2.1 Comparing energy tariffs and deals regularly can help residents make sure they are getting the best gas or electricity tariff for their usage and the best service offer. It can also highlight if they could cut bills by switching supplier.
- 2.2 It pays to shop around. Ofgem research finds comparing and switching supplier or energy tariff can make a big difference to gas and electricity bills – with annual savings of around £300 available.
- 2.3 Many residents have never compared energy tariffs or switched gas or electricity supplier – it is actually quite simple.

3. Ofgem advice

- 3.1 Ofgem have developed a range of online tips and tools covering the essentials and these can be viewed at <https://www.ofgem.gov.uk/consumers/household-gas-and-electricity-guide/how-switch-energy-supplier-and-shop-better-deal>
- 3.2 Comparing energy tariffs is quick and easy. Residents can use energy comparison sites or speak to energy suppliers directly to see what deals there are.

3.3 To accurately compare energy tariffs residents need to look at their latest Energy Bill or Annual Summary and make a note of the following:

- The name of their energy tariff(s) and the unit rates
- Their energy consumption figures costs
- Any exit fees or additional charges

This information is all that's required for an energy comparison site to give a good indication of other deals.

3.4 Ofgem has an extensive list of accredited energy comparison sites to help calculate potential savings. These include: Money Supermarket, uSwitch and The Energy Shop.

3.5 Residents are advised to consider a number of factors when comparing suppliers and tariffs – from cheaper rates and customer satisfaction scores, to green energy tariffs or contracts with no exit fee, or even offers particular to their type of meter. Independent advice is available on the Ofgem website.

4. Action taken by Wyre Council to encourage energy switching

People Power – Lancashire's Collective Energy Switching Campaign

In 2013 the Council led on a Lancashire wide collective energy switching scheme for the County. A grant of £139,000 from the Department for Energy and Climate Change was secured and led to the creation of the 'People Power' campaign.

Collective energy switching occurs when a group of consumers group together to negotiate a better deal with their gas and electricity suppliers. A specialist switching partner negotiates on behalf of the consumers they represent and the offer is presented back to the group of householders to decide whether to switch energy provider or not. Such schemes help to address one of the causes of fuel poverty – high energy bills.

The £139,000 of grant funding was predominantly for marketing and to provide support for vulnerable households and those unable to sign-up online.

The funding secured from DECC led to a comprehensive and consistent publicity campaign across Lancashire under the brand 'People Power'. An external PR agency was recruited and a high profile campaign incorporating high impact radio, bus shelter and billboard posters, press releases and celebrity endorsement took place.

A total of 12,675 Lancashire residents registered to take part in the auction. 33% of those receiving an offer made a saving of up to £100. 34% of those receiving an offer made a saving of between £100 and £200. 6% made a saving of more than £200. The average saving was £111.

However, only 857 of the 10,179 people that received an offer opted to take it up and switch supplier. This conversion rate (8%) from those that received an offer to those taking it up was lower than the expected rate of 10%. Wyre signed up the most registrants (1759 households).

Despite the lower than expected switching rates there were a number of positives to take away from the experience. It was widely felt that the campaign succeeded in raising awareness about switching energy supplier. Of those that registered for the scheme almost 70% had never switched supplier before so even if they chose not to take up the offer they may have turned to other switching tools such as uSwitch.com that were widely available instead.

The campaign was one of the most successful national campaigns of the time.

Energy switching and our winter warmth programmes

For a number of years, and up until this year, the Council has supported residents to switch energy suppliers using the services of LESS, a Community Interest Company. Using affordable warmth grant funding we funded a LESS Energy Officer to provide:

- Bill clinics at community venues to support residents with bill reduction and tariff switching
- Free bespoke training for frontline workers on tariff switching and basic energy saving advice – particularly workers who will visit clients in their own homes
- Free home energy surveys for residents providing bespoke advice together with a follow-up written report including recommendations and advice.

Due to the loss of wider external grant funding and a re-evaluation of their priorities, LESS no longer provide such a service and in any event eligibility criteria of 2016/17 affordable warmth funding we have won has changed and so we can no longer support energy switching in this way.