Consumer engagement plan and budget

2024

smart energy GB

Join the energy revolution

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1. Governance

1.1 The Smart Energy GB Board

The structure of the Smart Energy GB Board is set out in the Standard Conditions of Electricity & Gas Supply, Electricity Distribution and Gas Transporter Licences ("the supplier licences"). The Board is chaired by Mark Lund OBE and its membership at 8 November 2023 was:

Chair:

- Mark Lund

Representing the interests of energy suppliers:

- Martin Aylward
- Daren Carter
- Rebecca Dibb-Simkin
- Kerry Maisey
- Elvin Nagamootoo

Representing the interests of energy consumers:

- Steve Crabb
- Maxine Frerk
- Chris MacLeod
- Ann McKechin

Chief Executive:

- Dan Brooke

Please note that there is currently a vacancy within the energy supplier category.

The Smart Energy GB Board is pleased to recommend its 2024 domestic and non-domestic budgets to the company's members for approval. This document details the organisation's objectives, its strategic approach and detailed activities for 2024 and the associated budget. It has been developed in consultation with suppliers. If any supplier has questions on the information enclosed or would like to discuss any aspect of it, please contact Alistair Gibbons in the first instance **(Alistair.Gibbons@smartenergyGB.org)**.

1.2 The Performance Management Framework (PMF)

The PMF is a document which stipulates the performance metrics and targets that provide the direction to Smart Energy GB's activities. The performance of Smart Energy GB's activities is evaluated against those metrics and targets. As such, the PMF is an important document for the Board, DESNZ, Ofgem, suppliers and all other stakeholders, to understand both Smart Energy GB's direction and the basis for evaluating its performance.

The Board is responsible for producing and maintaining the PMF. A Performance Management Framework ('PMF') advisory sub-committees (domestic and non-domestic) exists to advise and support the Board in its responsibility to produce and maintain the PMF and is chaired by a board member representing the interests of energy suppliers. All relevant suppliers are invited and encouraged to attend the PMF sub-committee.

2. Overview

SEGB's 2024 plan is to bring fresh thinking and ideas to tackle challenges and ambitious rollout targets. We have identified a wide range of new ideas and ways of doing things, including (but not limited to): new positive myth busting at scale (and testing head-on myth busting); new partnerships with advocates; testing positive messages about smart-enabled services; and collaborating on driving installs among large, under-indexing groups that index well for seek/accept (s/a) (e.g. London, private renters).

Within the plan we recommend continuing with Einstein, maintaining our spend in paid media, continuing the trend of investing ever more in targeted channels and refreshing the energy saving tips creative.

We propose another par budget, absorbing the effects of inflation through efficiencies (the extent of which is ever-diminishing, given the active VFM drive we have been on since 2020) and budget reductions. The double duty effect from install-driving energy management activity continues strongly so we propose no increase in usage spend. However, we believe there is an opportunity to target non-domestic non-owners who are un-aware/disengaged, with an increase in non-domestic spend.

Spend on "customers in vulnerable circumstances" (CIVCs) has risen from £0.8m in 2019 to £5.6m in 2023 and delivered results, with almost all large CIVCs groups in line with average GB ownership. Last year the CIVCs budget went up by £0.6m to provide extra energy crisis support and we propose re-purposing this £0.6m top-up into targeting those audiences who have so far rejected the offer of a smart meter and non-domestic, reducing spend among the most localised CIVCs partners (the 'bid fund').

The impact of the ongoing energy and cost of living crises remain a dominant context. We will monitor this closely and maintain our agile mindset.

The political and media contexts will be dominated by a likely general election. We'd anticipate this may have an impact on our communications and corporate affairs activity and will need to be flexible in response to this.

3. PMF objectives for 2024

The PMF sub committees (both domestic and non-domestic) have given Smart Energy GB a clear articulation of the metrics and targets of the Performance Management Framework. The objectives and metrics for 2024 are detailed below.

3.1 Domestic PMF metrics for SEGB in 2024

The key change since 2023 is the planned introduction of an 'intention to stay in' metric (subject to establishing a robust metric).

Metric	Target
Seek/accept — The percentage of the GB adult population who don't have a smart meter that state that they would seek or accept one in the next six months	Minimise expected softening to a level sufficient for fuelling required installs, in conjunction with the conversion rate
Rejection — The number of the GB adult population who don't have a smart meter that state that they would reject the offer of one in the next six months	Reduce absolute numbers
Attitude **Sub-demographics** — seek/accept for Low income, Prepay, private renters, Over 65, and in Fuel poverty	Monitor for all Maintain/improve for Low income and 65+
Conversion — The proportion of GB adults previously without a smart meter reporting as 'got/due/tried to get' a smart meter in following six months	Minimise expected taper to a level sufficient for fuelling required installs in conjunction with the S/A level
Intention to stay in — TBC (pending research) recommendation to be made to PMF subcommittee	Monitor initially

Metric	Target
Installations — Rolling weekly run rate of smart meter installations	Monitor
SEGB contribution to installations — The level of SEGB positive effects towards installations	Monitor
Message takeout — Though not a metric, sharing of analysis of message takeout vs. intended takeout for the audience segment(s) being targeted	Monitor
Usage — Population with smart meters in smart mode reporting "I actively manage how I use energy around my home"	Maintain or improve
Usage — Population with smart meters in smart mode reporting that having a smart meter has had a "great /fair difference" to their energy use	Maintain or improve

3.2 Non-Domestic PMF metrics for SEGB in 2024

PMF Metrics for SEGB in 2024, monitoring within premise-based microbusinesses where possible. The key change here is that we are changing the awareness target from 'monitor' to 'increase'.

Area	Target
Awareness — Amongst premise-based micro-businesses, awareness that smart meters are available to businesses	Increase
Seek/accept — The percentage of premise-based micro-businesses who state that they would seek or accept a smart meter in the next six months	Increase
Rejection — The number of premise-based micro-businesses who state that they would reject a smart meter if offered in the next six months	Reduce
Installations — Rolling weekly run rate of smart meter installations	Monitor
Usage — Population with smart meters in smart mode reporting "I actively manage how I use energy in my business"	Monitor
Usage — Population with smart meters reporting that having a smart meter has had a "great /fair difference" to their business energy use	Monitor

4. 2024 campaign

4.1 Fresh ideas to maximise installations

Our 2024 approach is to develop fresh ideas, across our activities, to tackle the challenges and maximise installs. Key developments are highlighted below.



SEGB DOMESTICS

Maximize conversion from seek/accept and tackle rejection

- New partnerships with trusted brands
- New advocates
- New propositions



COLLABORATION

Bring rollout stakeholders together to tackle problem areas/groups

- Target large under-performing groups with high s/a
- London, private renters
- Collaborate with stakeholders on co-ordinated plans



SEGB NON-DOM

Increase spend to increase consideration

- 12% budget increase (£275k)
- Create three full bursts & hero PR campaign
- To cut-through to warn 'unaware' non-owners

4.2 Summary of 2023 activity

1. Maximise DOMESTIC installs	2. COLLABORATION tackling problem groups	3. Increase NON-DOM consideration	4. Focus on CIVCs	5. Exploit double-duty USAGE effect
Maintain Einstein and the focus on energy management but with new **'positive myth–busting'** at mass scale via norming (9 out of 10 owners satisfied). Test **head–on mythbusting**. **New** partnerships with **trusted brands** (e.g. Rugby League, ITV daytime) **New advocacy** from **celebrities and testimonials** with high appeal **New smart–enabled propositions** to drive reappraisal to motivated groups across all channels	**Work with suppliers and DESNZ** to identify large regions & groups with **low ownership and high seek/accept** (e.g. London & private renters) **Collaborate with DESNZ, suppliers and other stakeholders** to plan co–ordinated activities to drive installs: London, borough by borough; renters through landlords and letting agents Analysis of new demand–driving actions to mitigate potential long term energy crisis effects Coordinated supplier activity around **RTS switchover**	Increase Microbusiness budget by 12%, enabling **three full campaign bursts** and a dedicated hero PR campaign **Cut–through to warm energy disengaged 'unaware non–owners'** and drive consideration to install Subject to results, continue with use of **Einstein**	**Small decrease to CIVCs budget** in light of strong historic investment, 'in line' CIVCs ownership levels and pressures on other audiences Investment prioritised to **support the most vulnerable and target intersection with rejection** Adjust our **macro–characteristics** strategy to target: Low income, Lacking basic digital skills and PPM	'Energy management' benefit strand has shown itself to be highly effective at driving usage **This strong double–duty effect** ensures positive usage behaviour is delivered to SM owners in a highly effective and efficient way **Comms and Corporate Affairs will carry usage messages** highlighting smart meter benefits, both present and future
Underpinned by an agile test and learn approach				

4.3 Detailed plans
Objectives 1 & 2: Maximise domestic installs & collaborate to tackle specific groups

Marketing	We will continue with Einstein as the core campaign vehicle, with refreshed energy management content and new 'positive myth busting' at mass scale via norming, using advocacy from celebrities and testimonials with high appeal to relevant audiences. This will involve more partnerships with relevant brands and publishers (e.g. Rugby League, ITV daytime), and new smart-enabled propositions, like DFS/ToU/apps, to drive reappraisal to motivated groups. The use of questions in creative to drive new means of reappraisal by uninstalled customers will be explored. We'll deploy new 'test and learns' tackling head on both existing and new myths via advertising, and appropriately scale "Vote Smart meters" creative beyond Facebook, supported by new community engagement in online spaces. Digital innovation will include test and learn conversion using programmatic display and implement conversion API for digital measurement. We will continue to drive the ability to utilise InfoSum for targeting and suppression within our buying.
Comms	A new multi-phase PR campaign will refresh our approach to energy management advice for different audience segments. Focusing on earned media and amplified through digital and media partnerships, it will communicate how a SM can unlock additional benefits (e.g. DFS, ToU tariffs, apps) and bring greater financial control. Increasing a focus on seasonality, we'll deliver a calendar of drumbeat proactive PR activity. We will deliver opportunistic news management activity that identifies and maximises news opportunities to communicate smart meter benefits through polling, SEGB broadcast days and selective use of trusted messengers.

Collaboration	Experience has shown that coordinated activity can be effective in driving installs when certain conditions are met: a) focus on specific consumer needs; b) focus on 'problems' suppliers need to solve; c) sensitivity to the external context. Building on the Glasgow PPM work, we will use additional data sources, and supplier feedback to identify cohorts and locations that would benefit from localised, coordinated activity, especially where seek/accept is high. Early analysis indicates that London and private renters are key groups to target: • London via a borough-by-borough approach, with coordinated marketing and installer activities. DESNZ and SEGB are in discussions about the right forum to bring stakeholders together to explore further • Among private renters, we are working across all SEGB channels to ensure a rolling suite of activities and working closely with DESNZ to engage landlords and letting agents from all angles. We are also working closely with suppliers to align and coordinate messages, content and activity, where possible, especially in London where these priorities overlap We are also planning an analysis of new demand-driving actions to mitigate potential long term energy crisis effects.
Corporate Affairs	We will use stakeholder channels to drive consumer demand, utilising SEGB content to complement messaging and drive efficiency. Also, quality conversations with professional stakeholders and targeted myth busting materials. Policy will focus on creating compelling content that demonstrates how smart meters can help unlock greater financial value for people and deliver consumer satisfaction.

Objective 3: Increase Non-Domestic consideration

We propose an increase to the non-domestic budget with an additional £285k of media investment to engage unaware/disengaged micro-business non-owners who index strongly for seek/accept.

Historically our efforts have successfully focused on stabilising fluctuations in awareness in-year. However, 50% of non-owners are still 'unaware' or disengaged from energy, due to other pressures. Further analysis shows that this unaware/disengaged cohort of non-owners over-index for seek/accept once exposed. There is an opportunity to see if a greater investment in marketing and communications can cut through to this warm, but harder to reach, audience and convert them to install.

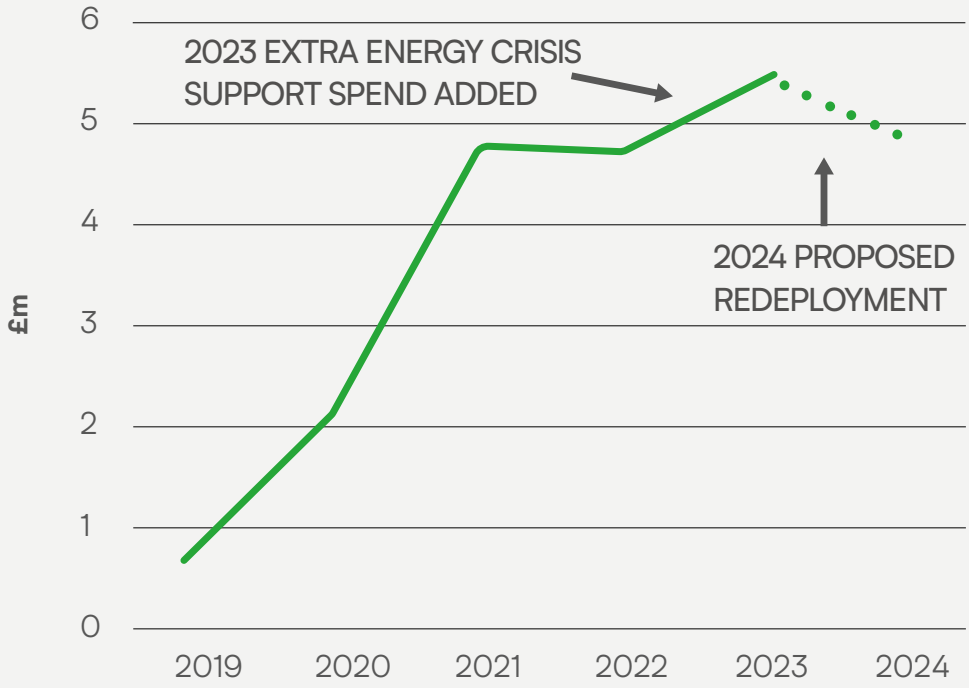
The proposed budget increase will enable delivery of three full Einstein campaign bursts (currently two full and one small) and a dedicated PR campaign including media partnership support.

Marketing	SEGB will prioritise driving consideration amongst energy-disengaged ('unaware') microbusinesses to increase volume of seek/accept pool; increasing message cut through and salience to increase awareness. Increasing non-domestic investment, to reflect significant increase in installs is required to support targets being met and provides the opportunity to tap into a warm but unaware audience. The budget increase will deliver three full bursts. We will continue (results dependent) the use of relevant motivating borrowed equity alongside Einstein. SEGB will test new local influencers, and expand the use of local media to drive consideration in audience receptive to influencer/local recommendations. We will take opportunities to engage landlords/letting agents/TPIs where possible through partnerships and corporate affairs.
Comms	There will be the introduction of a 'hero model' PR campaign approach for microbusiness, involving a multi-phase PR campaign focused on earned media and amplified through digital and media partnerships. Control is likely to remain a priority message. Test and learn opportunities to link microbusiness PR campaigns to domestic campaigns where relevant will be explored. We will seek opportunities to reach landlords as well as renters, in line with wider team approach.
Corporate Affairs	SEGB will continue developing a more coordinated approach where it can deliver value for money, using learnings from the 2023 regional projects and supplier feedback to create more channels and drive consideration amongst microbusinesses. Compelling content around microbusiness benefits and landlords to drive uptake will be developed, and microbusiness renters will be built into the broader renter campaigns with development of materials and outreach programmes.

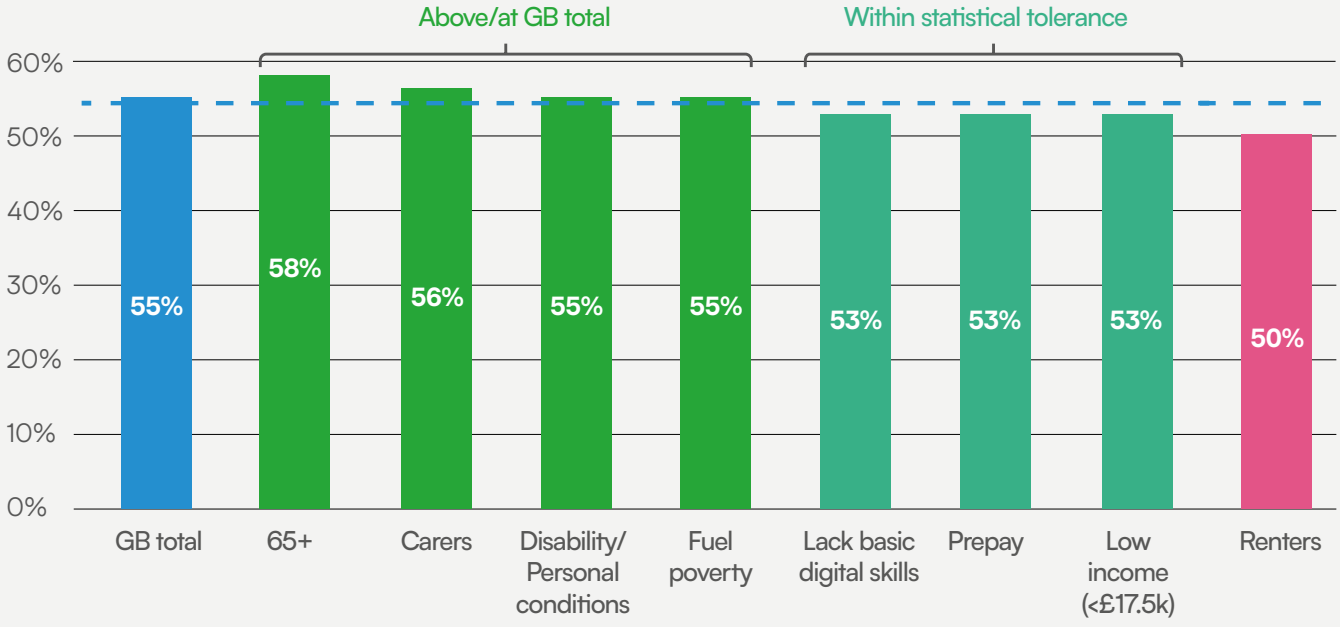
Strategy objective 4: Focus on CIVCs

We have invested heavily in CIVCs over four years, with almost all major CIVCs groups now in line with total GB ownership. To increase 2024 spend on non-domestic we propose re-deploying the +£0.6m energy crisis support added to the 2023 CIVCs budget. The reduction to the CIVCs spend will come from the 'bid fund' investment among regional partners.

CIVCS SPEND £M 2019-23



CLAIMED SMART METER OWNERSHIP 2023



Marketing	We will engage key CIVC groups that over-index for vulnerability and less positive attitudes to smart meters: Low income and Lacking basic digital skills. PPM is a secondary audience, though the investment ratio will be reduced to reflect maintenance of positive attitudes and conversion. We'll explore ways to work with trusted (new) partners and voices e.g. to increase campaign efficacy beyond comms through their own channels. New partners to push new routes into CIVCs e.g. Rugby League.
Comms	Learning from campaigns in 2023 including Carers, our second new multi-phase hero campaign will seek to engage audiences emotionally, as well as rationally, showcasing how certain customers (e.g. Lacking basic digital skills, Low income, Prepay TBC) are benefitting by having a smart meter, while others may be missing out. The goal is also to have a halo effect among other more community-minded audiences. Specific drumbeat campaigns will also engage selective priority CIVCs audiences.
Corporate Affairs	A focus on key CIVC groups will be included in all professional stakeholder comms, amplifying partnerships activity including joint activity with NEA and Citizens Advice amongst others. We'll continue to work closely with supplier stakeholders to inform plans. We will accelerate delivery of integrated campaigns to raise awareness of renters' choice to have a smart meter. We will continue to work across SEGB to create materials on debt management and bespoke support for CIVCs and amplify through professional stakeholder channels.

Strategy objective 5: Exploit double-duty usage effect

Marketing	The 'energy management' strand of Einstein carries a strong usage message, modelling the use of the IHD and budgeting functionality. This strand will dominate activity and should therefore continue to work as 'double duty' to drive usage among owners, as well as installations among non-owners (as has happened in 2023). We'll explore opportunity to supplement the IHD in our visuals/messaging through customer use of apps.
Comms	Both thematic hero campaigns will carry a strong usage message and tactics. Develop Q&As, conduct new consumer polling and use any new data points about customer experience to support additional media outreach and briefings.
Corporate Affairs	We will build usage messages into engagement with professional stakeholders with a focus on creating content for MPs/MSPs/MSs to share with consumers, alongside utilising case studies and practical tools that provide additionality increasing likelihood of sharing. We will deploy our energy literacy report which illustrates the need for increased consumer knowledge of the energy system now and in the future, exploring how SMs are the start of this journey to greater consumer empowerment and satisfaction.

5. Budget 2024

The total 2024 budget of £38.3m is made up of a domestic budget of £35.8m and a non-domestic budget of £2.4m. The 2024 budget (£38.3m) is in line with the 2023 budget of £38.3m.

The key headlines are:

- there is a £0.2m increase in microbusiness to increase awareness with additional media
- after several years of increased investment in the CIVCs budget that has helped sub-demographic audiences be in line with GB install averages, there is a small reduction of £0.6m

2024 Domestic and non-domestic detail

DOMESTIC AND NON-DOMESTIC (£K)	Q1	Q2	Q3	Q4	2024	2023	Variance (£k)	Variance (%)	Notes
Creative development	1,080	1,000	784	363	**3,225**	3,325	-100	-3%	1
Media buy	5,340	4,215	4,431	3,743	**17,729**	17,856	-127	-1%	2
Digital production/ website	681	338	482	137	**1,638**	1,904	-266	-14%	3
Marketing partnerships	706	500	239	993	**2,438**	2,993	-554	-19%	4
Marketing subtotal	7,807	6,053	5,935	5,236	**25,030**	26,077	-1,047	-4%	
Public Affairs & Policy	52	53	103	28	**235**	250	-15	-6%	5
PR, news management and media partnerships	1,307	1,006	769	122	**3,204**	2,264	940	42%	6
Strategy & insight	368	616	415	296	**1,696**	1,917	-221	-12%	7
Capital costs total	**9,534**	**7,728**	**7,222**	**5,682**	**30,165**	**30,508**	**-343**	**-1%**	
PRP	0	0	0	130	**130**	0	130	-	8
Staff costs (inc NI and pension)	1,607	1,606	1,606	1,781	**6,600**	6,095	505	8%	9
Training & development	42	44	44	42	**171**	164	7	4%	10
Premises & office running costs	328	305	163	-192	**604**	523	81	15%	11
Travel & subsistence	24	24	24	24	**97**	91	6	6%	12
ICT	271	31	118	-65	**355**	315	40	13%	13
Other finance costs	78	-61	10	116	**143**	568	-424	-75%	14
Fixed operating costs total	**2,350**	**1,949**	**1,965**	**1,836**	**8,100**	**7,757**	**343**	**4%**	
Smart Energy GB Total	**11,884**	**9,677**	**9,187**	**7,518**	**38,265**	**38,265**	**0**	**0%**	

2024 Domestic budget detail

DOMESTIC (£K)	Q1	Q2	Q3	Q4	2024	2023	Variance (£k)	Variance (%)	Notes
Creative development	1,080	1,000	759	338	**3,175**	3,125	50	2%	1
Media buy	4,710	3,900	4,431	3,428	**16,469**	16,881	–412	–2%	2
Digital production/ website	651	338	452	137	**1,578**	1,844	–266	–14%	3
Marketing partnerships	684	438	224	893	**2,238**	2,793	–554	–20%	4
Marketing subtotal	7,124	5,675	5,865	4,796	**23,460**	24,642	–1,182	–5%	
Public Affairs & Policy	42	53	93	28	**215**	230	–15	–7%	5
PR, news management and media partnerships	1,267	896	649	52	**2,864**	1,964	900	46%	6
Strategy & insight	368	542	415	296	**1,621**	1,817	–195	–11%	7
Capital costs total	**8,801**	**7,166**	**7,022**	**5,172**	**28,161**	**28,653**	**-492**	**-2%**	
PRP	0	0	0	130	**130**	0	130	–	8
Staff costs (inc NI and pension)	1,607	1,606	1,606	1,781	**6,600**	6,095	505	8%	9
Training & development	42	44	44	42	**171**	164	7	4%	10
Premises & office running costs	328	305	163	–192	**604**	523	81	15%	11
Travel & subsistence	24	24	24	24	**97**	91	6	6%	12
ICT	271	31	118	–65	**355**	315	40	13%	13
Other finance costs	78	–61	10	116	**143**	568	–424	–75%	14
Microbusiness overhead allocation	–107	–107	–107	–107	**-428**	–378	–50	13%	15
Fixed operating costs total	**2,243**	**1,842**	**1,858**	**1,729**	**7,672**	**7,378**	**293**	**4%**	
Smart Energy GB Total	**11,044**	**9,008**	**8,880**	**6,900**	**35,832**	**36,031**	**-199**	**-1%**	

2024 Non–domestic budget detail

NON-DOMESTIC (£K)	Q1	Q2	Q3	Q4	2004	2003	Variance (£k)	Variance (%)	Notes
Creative development	0	0	25	25	**50**	200	–150	–75%	1
Media buy (inc digital media buy)	630	315	0	315	**1,260**	975	285	29%	2
Digital	30	0	30	0	**60**	60	0	0%	3
Marketing partnerships	23	63	15	100	**200**	200	0	0%	4
Marketing total	683	378	70	440	**1,570**	1,435	135	9%	
Public Affairs & Policy	10	0	10	0	**20**	20	0	0%	5
PR, news management and media partnerships	40	110	120	70	**340**	300	40	13%	6
Strategy & insight	0	74	0	0	**74**	100	–26	–26%	7
Capital costs total	**733**	**562**	**200**	**510**	**2,004**	**1,855**	**149**	**8%**	
Microbusiness overhead allocation	107	107	107	107	**428**	378	50	13%	15
Fixed operating costs total	**107**	**107**	**107**	**107**	**428**	**378**	**50**	**13%**	
Smart Energy GB Total	**840**	**669**	**307**	**617**	**2,433**	**2,233**	**199**	**9%**	

Notes to the budget (covering domestic and non–domestic variances):

Capital costs

1. **Creative development:** this includes the creative agency fees and production costs. Agency savings have offset inflationary pressures.
2. **Media buy:** includes all ATL media, media partnerships and agency fees/commission. The balance of investment between channels will be continually modified in light of insight on impact. In the microbusiness budget, the increase is to increase awareness with more media throughout the year. £1m of this budget has been relocated to PR and news management for media partnerships.
3. **Digital production/website:** includes development costs for assets to be deployed in digital/social channels as well as running costs for the SEGB website.
4. **Marketing partnerships:** costs include funds passed directly to partner organisations (such as charities, community groups and brands) required for the planning, development and production of marketing partnerships.
5. **Public Affairs and Policy:** includes all costs relating to building thought leadership, knowledge and advocacy among politicians, businesses and stakeholders in England, Wales and Scotland, including agency support and tools necessary to manage public correspondence. The small reduction is due to assumed lower conference/event expenditure with online equivalents continuing.
6. **PR, news management & media partnerships:** includes all costs relating to reactive news management and responsiveness, media monitoring tools, and subscriptions as well as costs associated with deploying proactive consumer PR campaigns which includes agency support and fees, talent and advocate costs, research for proactive PR purposes, copywriting and illustrations, photography and AV/audio asset production. The year–on–year variance is due to a reallocation of £1m from media buy to PR media partnerships.
7. **Strategy and insight:** includes all costs and fees required to plan, commission, conduct and analyse research for consumer engagement insight, measurement and optimisation purposes and evaluation, as set out in this paper.

Fixed operating costs

8. **PRP:** costs relating to Performance Related Pay agreed by RemCo during 2023.
9. **Staff costs:** includes all direct and indirect staff costs including salaries, national insurance, pension contributions, recruitment and some indirect staff benefits. The year-on-year increase is due to a provision for an inflationary increase which is based on external insight of comparable salary increases, approved by RemCo (which was made up of board directors with a majority of energy supplier representatives).
10. **Training and development:** including the full training and development costs for the organisation including one-to-one training, group training and internal planning meetings.
11. **Premises and office running costs:** includes the rent, rates and service charge for our three offices in London, Cardiff and Edinburgh. The associated running costs (from printing and postage to cleaning and general maintenance) are also included.
12. **Travel and subsistence:** the travel costs and associated subsistence when our staff team have to travel away from their main place of work for activity for Smart Energy GB.
13. **ICT:** includes the IT support costs, infrastructure costs, licences (for software, storage and security) and network costs.
14. **Other finance costs:** includes the costs our external audit fees and our outsourced bookkeeping fees, insurance and legal costs, tax, and a £90k provision for fixed operating costs bad debt. It also includes bank interest. The increase in bank interest is the reason behind the year-on-year variance.
15. **Microbusiness allocation:** this is an allocation to support the microbusiness campaign with overheads recharged in direct proportion to capital costs. This is a formula to ensure funders pay the same proportion of overheads.


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