Directors’ report
Foreword from the Chair, Mark Lund OBE

This has been an extraordinary year. The foreword to our 2020 Annual Report might be expected to focus on the Covid-19 pandemic and the challenges that it has created for the smart meter rollout. Of course, it has had an impact, but it is a testament to the resilience, dedication and imagination of our team and partners, that instead, I can focus on a series of achievements delivered during the last year.

**Smart Meter rollout progress**

To start, 2020 saw real progress in the availability of interoperable meters throughout Great Britain. Energy suppliers and the Data and Communications Company (DCC) have worked very hard on accelerating the SMETS2 meter installations. It is rewarding to see that, by January 2021, there were 6.5 million SMETS2 meters in British homes.

We have also seen impressive advances in the programme to upgrade first generation smart meters so that they stay in smart mode when a customer switches supplier. Over 3 million first generation meters have been brought into the DCC system, with millions more to follow in 2021.

**Conclusion of BEIS consultation**

I would also like to welcome the Department for Business, Energy and Industrial Strategy’s important work on the policy framework for the rollout. In particular, the conclusion of BEIS’ ‘Smart meter coordinated consumer engagement’ consultation was of significance to Smart Energy GB.

BEIS’ conclusions, delivered in November, will contribute significantly to the improvement of our legal objectives, as well as the simplification of our governance structure. I look forward to Smart Energy GB working closely with all our stakeholders, particularly our members, as we implement the changes that flow from BEIS’ decisions. We’re determined to take forward those governance changes in a way that has the support of the organisations with which we work.

**The impact of Covid-19**

Of course, I must touch on the impact of Covid-19 on the smart meter rollout. As with most organisations, the global health emergency has greatly impacted how we undertake our activity.

I’m therefore proud that the team was able to respond so quickly and imaginatively as the world changed around them and at the same time, continue to deliver strongly. The success of The Quiet Revolution multi-channel marketing campaign is a tribute to everyone involved in its creation and delivery. Launched in the summer and created specifically for the post-lockdown period, it demonstrated our ability to adapt quickly and has delivered strong results.

In marketing partnerships, our team and partners also proved agile, moving events online and focusing their efforts on helping the most vulnerable with the challenges of the pandemic. Our insight team moved fast to ensure that the views of the nation continue to be fully integrated into our strategy, despite the practical difficulties of undertaking fieldwork during lockdown. The highlight of the PR team’s efforts was the delivery of no less than three high-quality campaigns towards the end of 2020.

Our digital team was similarly responsive, within the first week of lockdown, updating the digital strategy and website content based on observed changes in digital consumer behaviour and Government advice on the Covid-19 response. In Policy and Public Affairs and Industry Relations the teams delivered a full programme of stakeholder engagement, despite the restrictions.

**Welcoming our new CEO**

Early in 2020, we welcomed our new CEO, Dan Brooke, who joined us during the national lockdown. Getting to know his colleagues without being able to physically meet them was a real challenge, but one that Dan has embraced with energy and empathy.

Dan has already made a strong contribution to Smart Energy GB, and I, the Board and the SEGB team are heartened and excited about what we can achieve under his leadership.

Finally, I’d like to express my gratitude for the efforts and contributions of the members and observers of the board of which I am Chair. Their high-quality input has added great value to the work of the organisation and made it possible to move surely at speed. I am personally very grateful, too, for the support they have given me in my role as Chair – it has been a privilege to work with them.

Introduction from the Chief Executive Officer, Dan Brooke

It was my privilege to join Smart Energy GB as CEO at the end of April 2020. When I accepted the job in March, I had no idea of the immense challenges that we, like the rest of the world, would face. ‘Challenge’ is certainly one word for 2020. Another is ‘achievement’, and this report gives equal weight to both.

2020 has undoubtedly been a difficult one for so many people and organisations in so many ways. But it has also been a year of astonishing resilience and success for Smart Energy GB – successes in which every single person in our talented organisation can be proud of the part they played.

The challenges we had to face are clearly documented here. Personally speaking, one of the greatest challenges I’ve faced is not being able to meet around half of the brilliant Smart Energy GB team face to face. Online meetings are great, and we have adopted to them very well, but they are no substitute for an informal update over a desk or a friendly chat when passing the coffee point. We believe passionately in the power of creativity and collaboration. These things can be achieved in lots of ways, but face to face communication delivers the very best of both of them.

Notwithstanding these restrictions, closer collaboration and partnership with our many stakeholders in government, industry, consumer groups and the charity sector has been a major focus of my new leadership. I am delighted to say that the feedback from them, both formal and informal, has been overwhelmingly positive about the progress we have made.

The same can be said of our laser focus on ensuring that we provide value for our stakeholders. I am keenly aware that it is not our money we are spending, but energy suppliers’. So I am determined to ensure that we apply the same types of principles that they would if they were spending it themselves.

Important progress has been made in what must be maintained as an evergreen ambition.

**Successful quick-turnaround campaigns**

The single most challenging upshot of the pandemic for us was the brakes it put on the smart meter rollout, which has resulted in the Government pushing back the finishing line from 2024 to mid-2025. On the marketing front, our watchword has been agility: turning round Covid-relevant campaigns in short order, helping people at home in lockdown to manage their energy well and reassuring the public about strict energy supplier policies on installer PPE and social distancing.

Chiefs amongst our marketing campaigns has been The Quiet Revolution, which was carefully designed to keep the rollout in the summer and has been running in pulses ever since. The campaign has been universally well-received and helped the smart meter install run-rate climb back above pre-Covid levels by November.

We have built on our focus of communicating the national benefits of smart meters, both their role in combating climate change and in upgrading a vital part of Britain’s infrastructure. We have also had a special new emphasis on expanding our use of digital media to better target the right consumers with the right messages at the right time.

Other successful activations include the PR for Smart Energy Explained and our Healthcare campaign, the most successful PR campaign in our history. For this, we’re hugely indebted to personalities such as Sir Geoff Hurst, Ade Adepitan and Arlene Phillips for helping to spread the word about the benefits of switching to smart meters – also for highlighting the particular benefits for people with dementia or other forms of disability.

**Focusing on wellbeing, diversity and inclusion**

A source of great pleasure in 2020 has been the national recognition we’ve received in areas which underlie our ethos.

We’re proud to have won a ‘Best Workplaces’ award for the fourth year, once again being recognised as a ‘Centre of Excellence for Wellbeing’. And, for the third successive year, Campaign magazine has also ranked us as a ‘Best Place to Work’.

2020 also saw us achieve Disability Confident Employer (Level 3) Leader status. This is the highest level of attainment on this important scheme and, as the Government’s Energy Sector Champion for Disability Confident, I am especially proud of this achievement and grateful to my team for getting us there.
We’ve maintained our focus on improving diversity and inclusion generally, too. We’ve extended D&I training to all team members and provided training for our managers on how to support their teams during the pandemic. We also introduced enhanced inclusive recruitment processes; bringing in the Rooney Rule to ensure that we include, at the interview stage, applicants from under-represented categories.

**Goals for 2021**
It’s the firm intention of everyone at Smart Energy GB to continue to build on the successes and lessons of 2020. This includes learning from and enhancing our already successful approaches to collaboration, value for money, digital targeting and agile working. When Britain gets back to something more closely resembling ‘normality’, the work patterns of the Smart Energy GB team will represent a ‘new normal’ and these new ways of working we are learning will mean our productivity, our inclusiveness and our creativity will all be enhanced.

We are scaling up our activities aimed at Customers in Vulnerable Circumstances. It is increasingly important that we ensure that the rollout does not leave citizens in any of these groups behind. We are doubling our investment in reaching them through finding savings and efficiencies in other parts of our operation.

Our long-term goal remains – to complete the smart meter rollout on time and as cost-effectively as possible so that every citizen in Britain can be part of the energy revolution, of which smart meters are at the heart. We are already in the process of formulating a long term strategic plan for the company with a roadmap for the part we will play in the rollout through to mid-2025, including an analysis of further policy stimulus that could be introduced to maintain consumer demand.

The virus has thrown up challenges. However, it has also demonstrated that the people at Smart Energy GB possess the passion, skill and dedication to play our vital part in delivering a successful smart meter rollout. This will mean that smart meters can play their vital part in helping Britain meet its net zero targets. Britain, in turn, then has a key part to play in helping the world solve the biggest challenge of our age: climate change. We relish the opportunity.
How smart meters are transforming Great Britain’s energy industry

- **23.6m** smart meters have now been installed in GB homes and small businesses
  - Source: BEIS stats, Spring 2020
- **Carbon emissions reduced by nearly 45 m tons of CO₂** by 2030
  - Source: CBA 2019
- **60%** people with a smart meter would recommend to family and friends
  - Source: Outlook Nov 2020
- **£250** the net benefit to each household by 2030
  - Source: smart meter roll-out: cost-benefit analysis [CBA] 2019
- **£6bn** net benefit to GB
  - Source: CBA 2019
- **97%** awareness of smart meters
  - Source: Outlook Nov 2020
- **38%** want a smart meter in the next six months
  - Source: Outlook Nov 2020

**In-home display**
- energy use displayed in pounds and pence
- information which helps households to take control
- smart pay as you go

**Secure communications network**
- new services from other providers
- power networks
- energy suppliers
- accurate bills
- new tariffs

**A smarter grid**
- integration of renewables
- easier to identify power cuts
- managing supply and demand

**Gas and electricity smart meters**

**Net Zero**
- smart meters are a key step towards reaching our carbon emissions target
  - Source: Delta EE report

**A smarter grid**
- **£6bn** net benefit to GB
  - Source: CBA 2019
- **97%** awareness of smart meters
  - Source: Outlook Nov 2020
- **38%** want a smart meter in the next six months
  - Source: Outlook Nov 2020
- **£250** the net benefit to each household by 2030
  - Source: smart meter roll-out: cost-benefit analysis [CBA] 2019

**In-home display**
- energy use displayed in pounds and pence
- information which helps households to take control
- smart pay as you go
42% of the population have a smart meter installed**

By the end of the year around 11m without a smart meter stated they would seek or accept a device within the next six months*

We have conducted c.80,000 interviews with consumers to shape our campaign

79 media partnership articles

669.4 million media impressions
Source: Echo

4859 items of media coverage
Source: Echo

Key information available on our website in 7 different languages

Featured by Twitter in a round-up moment of best advertising during lockdown for the Energy Saving Tips social media campaign

Above the line advertising media reached 97.4 per cent of all GB adults with nearly 2.2 billion impressions
Source: IPA Touchpoints 2019

678 items of public correspondence

44 conversations with MPs, MSPs and AMs

257,726 – number of people we’ve reached through our work with partnership organisations

* Source: Outlook, Nov 2020
** Source: BEIS STATS
Strategic report

Despite the significant challenges in 2020, energy suppliers have successfully managed to install 3.2m smart meters up and down the country. While this is lower than the original expectation due to the pandemic, it means that the total per cent of the country with a smart meter is now up to 42 per cent. This is a significant achievement in spite of both the operational challenges brought about by the pandemic as well as the challenge to give consumers the confidence to accept an installation during this time.

Smart Energy GB’s main requirement this year has been to be flexible - listening to consumers, suppliers and other stakeholders so that we deploy the right activity at the right time. As the first lockdown started, we paused our consumer-facing activity so as not to generate demand at a time when it could not be met. After smart meter installations started again, the goal was to generate consumer demand for installation while reassuring them that engineers are working to robust Covid safety protocols.

Throughout the year, insight has been key in helping us to achieve our goals. This includes insight from consumers and from organisations we work alongside, particularly energy suppliers. Since the start of the pandemic, we have received weekly data on the impact of the pandemic on consumers and their attitudes (while continuing to track installations closely). We have been pleased to share this work with stakeholders throughout the year. We have also worked more closely with government and suppliers to develop a joint understanding of the impact of the pandemic on the smart meter rollout. This has been helpful in planning our activity, and in particular, designing our campaigns.

The Quiet Revolution campaign was designed to be appropriate for the post-lockdown period, supported by reassurance activity deployed across social and digital channels. We are pleased with the campaign for its excellent message take-out. However, The Quiet Revolution was designed for the specific environment the rollout found itself in during the pandemic. It is unlikely to have the longevity to last far into 2021 due to natural wear-out. A new campaign will be required in 2021 to focus on converting customers to smart meters.

During the annual budget process, we were able to reallocate £3.5m, or ten percent of our resources to activity that is directly consumer-facing. This was achieved through reviewing our agency spend across the business, re-planning our partnership programme, and a variety of other operational efficiencies. There was also a restructure during the year designed to enhance collaboration across the organisation. Given the disruption this caused, alongside the significant personal disruption everyone has faced this year, the team has worked incredibly hard in what has been a busy and demanding year, but also one where they have been able to deliver consistently high-performing campaign activity.
Brand and Advertising

2020 was a year of considerable change to our campaign design. We delivered a broader and more agile campaign framework to adapt and succeed within an uncertain and challenging environment.

The year was characterised by an evolution in our campaign approach – not only to respond to the unique challenges posed by the Covid-19 pandemic but to better reach and engage multiple audiences through multiple channels and messages.

After the pandemic forced us, in March, to pause the outgoing “Wastage” campaign, we set about redesigning our campaign framework, ready to restart the activity (in line with industry installation capacity) with a more reactive, agile and dynamic philosophy at its heart.

From a media perspective, it was imperative that we positioned ourselves ready to respond to new developments in the pandemic. Our strategy sought to prioritise reactive, fast-to-market channels such as Online video and press in the early stages of the campaign restart. As the restart of the rollout commenced, we then planned to layer in more traditional, longer-lead time channels such as Radio and TV as industry confidence grew.

Prioritising channels such as Online Video and Press in the early stages also supported a shift in messaging strategy. The shift was away from communicating a singular benefit over the life of the campaign, towards a multi-message framework, running four or five messages in-market, targeted at specific audiences.

The results from our YouTube activity, with completion rates doubling benchmark in some instances, provided early and encouraging feedback that this strategy was effective.

The campaign vehicle for this Restart activity was “The Quiet Revolution”, a creative campaign designed in sympathy with the times. The campaign presents smart meters as a nationwide, understated, yet powerful, infrastructural domestic change, with multiple benefit messaging pillars (Infrastructure, Environment, Cost Savings, Innovation and Prepay) brought to life through individual executions.

For our microbusiness audience, we used broad targeting through radio, as well as highly targeted industry print titles in our paid media strategy. For the latter, we selected three verticals (Retail, Hospitality and Beauty) which over-indexed on being premises-based and having relatively high energy consumption. The creative built on the equity established by the consumer campaign.

Whilst quickly and comprehensively bringing this new campaign approach to life with “The Quiet Revolution”, we continued work on developing our longer-term creative vehicle. This is due to launch in Spring 2021. The new platform will continue the multi-message, multi-channel, multi-audience framework established with The Quiet Revolution. It will communicate both national and personal benefits, with executions against each of the pillars referenced above.
A smart meter won’t stop your fridge buzzing.

Or your phone charging cable needing all manner of jiggery-pokery to make it work.

But it could still make tomorrow look a little different.

That seemingly run-of-the-mill box will help Britain’s energy system adapt to new tech.

So while it might seem like nothing will change tomorrow,

With a smart meter,

everything just might.

Join the quiet revolution.

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A smart meter isn’t much to look at.

But by having that odd, plastic box, you’ll be helping Britain’s energy system use more renewable resources.

Meaning more wind and solar power.

Not bad for something that lives under the stairs with your wellies.

And not too bad for the nation, either.

Join the quiet revolution.
Marketing Partnerships

This year the majority of our partnerships activity was focused on supporting customers in vulnerable circumstances. For the first time ever, we used different parts of the partnership’s programme to respond to different tasks and audiences. Our Smart Energy GB in Communities programme sought to reach over 65s who were unaware of smart meters and more likely to have vulnerable characteristics. Our national partners’ efforts were focussed on engaging over 65s who were less likely to take up a smart meter. While the approach was different, we continued to provide a range of information and assets to organisations through our online Resource Centre.

At the beginning of the year, a key part of our strategy was to use face-to-face interactions to deliver deep engagement and increase the desire for smart meters. However, 2020 saw a significant pivot in our approach as we responded to the impact of Covid-19 restrictions on partner activities and their ability to deliver in-person engagement. As advice provision migrated online and over the phone, we worked closely with partners to restructure plans. Large scale events were replaced by a video content series, and even coffee mornings became virtual knit-and-natter sessions.

Our team and partners proved to be hugely adaptable and keen to help the most vulnerable people with the challenges of the pandemic. Covid-19 disproportionately impacted customers in vulnerable circumstances in a number of ways. This included increased domestic energy consumption which led to an increase in bills, and for those on traditional prepayment meters, increased difficulty in topping up their meter.

We worked with National Energy Action (NEA) to provide information on help available with consumers’ energy costs. We created 10 energy-saving tips for the lockdown. We made all this information available in five different languages and alternative formats including BSL, easy read, large print and audio. Content was hosted on our Resource Centre, our website and shared with partners, both past and present, to cascade to people and communities across the country.

Our Resource Centre also offered a range of free downloadable assets to support organisations wanting to access and share information about smart meters and their benefits. We expanded the number of assets we made available in alternative formats and translated versions, creating 75 new assets this year. Partners visiting the Resource Centre planned to share them with over 33,000 people.

We continued our programme of engagement with regional partners – Smart Energy GB in Communities – to target over 65s who were unaware of smart meters. We worked with 20 regional partners across the nations, including well-known and trusted brands - Carers Scotland, Rotherham Council and Cleveland Fire Authority. Partners delivered Covid-safe activities, adapting plans to respond to the pandemic and reach over 130,000 people. Partners found a range of ways through which to engage people, including:

- Citizens Advice Diss, Thetford & District created a catchy radio ad
- Marches Energy created leaflets, blog posts and even an energy word search
- Area Eco used their connections with the local Punjabi speaking community to raise awareness of smart meters at community centres and congregational areas of worship and get smart meters on the agenda of a national Sikh task group

Through our national partnerships, we worked with English Heritage, Ideal Home Show, the Royal Horticultural Society, the RSPB, the Royal Voluntary Service and Saga to reach people over 55 who were less likely to take up a smart meter. We leveraged strong consumer brands to advocate for smart meters and their benefits, creating multi-channel campaigns with our partners that generated over 6.6 million impressions. Our partnership with RSPB highlighted the environmental benefits of smart meters through a range of communications, including content on their website, e-comms to their membership and advertorial in their membership magazine.

The national partnerships programme also extended its remit to support customers in vulnerable circumstances by partnering with PayPoint to run receipt advertising delivering 5.9 million impressions across c. 18,000 of its retailers. Messaging was designed to engage pre-payment customers and raise awareness of the benefits of a smart prepay meter.

This year we were pleased to extend our partnership activity to reach and engage microbusinesses. In order to reach the breadth of the microbusiness community, we partnered with both sector-specific organisations (in those sectors with large numbers of microbusinesses) and cross-sector membership organisations. We reached over 110,100 microbusinesses through our partnerships with the British Chamber of Commerce, Smallbusiness.co.uk, ICAEW (Institute of Chartered Accountants in England and Wales) and BIRA (British Independent Retailers Association), and these partners achieved an additional 36,710 impressions through their activity. Campaign delivery ranged from bespoke video content produced with ICAEW to articles in Chamber newsletters and retail case studies being shared with BIRA members.
Research, evaluation and analytics activity

Our campaign activity always builds upon the wealth of data analysis and consumer insight we have at our disposal. This means that the views of the nation are fully integrated into our campaign strategy at all times.

Throughout 2020, we conducted c.80,000 research interviews with the British public, hearing from consumers of all ages, backgrounds and circumstances, as well as microbusinesses and landlords.

Despite Covid-19 disruption, we continued to run a suite of consumer research that provided us with an in-depth understanding of how the public are feeling about smart meters. Where possible, we adapted this to incorporate learnings on how Covid-19 was impacting smart meter attitudes. We also continued our study of microbusiness owners’ attitudes towards smart meters to inform our non-domestic campaign.

A wide range of our research has again been published for use by both internal and external stakeholders, ensuring that the latest insight on smart meters is informing decisions across the entire stakeholder environment. Indeed, this year has seen increased collaboration with key stakeholders to develop and share insight.

In 2020, we continued to build our in-house analytics capabilities. We built and launched a suite of market intelligence dashboards to help inform senior decision making. This included a Covid-19 data dashboard to monitor and share the latest information about the pandemic, consumers’ response and installations.

We have continued to strengthen our evaluation tools for monitoring advertising, PR coverage, social media listening and the partnership marketing programme. Our evaluation programme also includes research among customers in vulnerable circumstances to ensure no group is left behind during the rollout. Insight on key target audiences in 2020 was collated and shared with key internal and external stakeholders to align understanding across those working on harder-to-reach audiences.

Public Relations

Despite the unique and unprecedented challenges of 2020, our award-winning Public Relations team proved to be a strong advocate for the rollout, generating high volumes of coverage across broadcast, print and online media.

The news agenda of the past year has been dominated by the global pandemic. However, it was still a successful year for the re-merged Public Relations (PR) team, delivering the most successful campaign yet in the form of the Healthcare campaign, delivered in the year’s final quarter.

The Public Relations team was formed following a restructure and brings together the former News and Consumer PR teams as part of the Communications Directorate.

As in previous years, despite a challenging news agenda, the PR team’s work has gained increased coverage. Over the course of the year, they generated over 669.4 million impressions across a range of media outlets. This includes 4859 items which mentioned Smart Energy GB and contained at least one positive message about smart meters.

The campaigns showcased how, in the future, smart meters could be a telehealth solution. They also demonstrated how they supported customers in vulnerable circumstances and continued to raise awareness of smart meters among GB residents.
In quarter one, the Waste Land PR campaign launched with the aim of highlighting the wastage in our current energy system and demonstrating how a smart meter-enabled energy system can provide a greener and more efficient solution. The campaign was fronted by British sports personality Rebecca Adlington and produced an impressive 65.4 million positive impressions over the course of the month.

At the beginning of the pandemic, the team altered its plans, pivoting to produce a series of PR executions aimed at helping people to reduce their energy consumption during the first lockdown. These small-scale campaigns were well received and made sure that messages about smart meters were still in the media even at a time when our marketing was reduced.

October saw the launch of the UK’s first ever ‘Green Aisle’. Smart Energy GB partnered with Homebase and DIY enthusiast, builder and television personality, Craig Phillips, to create the first dedicated ‘Green Aisle’ – a destination for shoppers to easily identify energy-efficient and sustainable home improvement products (as defined by Energy Saving Trust). The campaign, which saw the aisle installed in all 137 Homebase stores nationwide, generated 93.4m earned media impressions.

November saw the launch of Healthcare, our most successful campaign to date in terms of reach, scale and broadcast coverage. The campaign promoted the publication of a report commissioned by Smart Energy GB’s policy team entitled The Smart Future of Healthcare. The report investigated how energy usage patterns from smart meter data could – with consumer consent – help the NHS improve care for people living with conditions such as dementia, making it easier for them to live independently in their homes for longer.

Our media spokespeople for the consumer audience were television judge and former dancer, Arlene Phillips and England 1966 World Cup Final hattrick goal scorer, Sir Geoff Hurst. Our spokesperson for the stakeholder audience was television presenter, Dr Dawn Harper.

The campaign generated a total of 948 items during November and December 2020, including broadcast slots on BBC Radio 4’s Today programme, BBC Breakfast, Sky News, ITV London and BBC Radio Five Live. 999 per cent of the coverage was rated as favourable and carried at least one positive campaign-specific message or message about smart meters. Strong national media interest resulted in the campaign producing an impressive 128.6 million positive impressions over the course of the two-month period - a record for Smart Energy GB PR activity.

Smart Energy Explained was the organisation’s first proactive PR campaign specifically aimed at engaging customers in vulnerable circumstances. Smart Energy GB teamed up with TV presenter Ade Adepitan MBE to showcase the ways in which smart meters provide benefits to vulnerable consumers. Along with media interviews, the story explored the challenges faced by vulnerable and disabled customers during the pandemic. Examples included topping up a prepay energy meter or taking a meter reading. Influencers and parliamentarians were also engaged and shared bespoke content relevant to the target audiences.

The microbusiness PR activity in 2020 comprised two campaign spikes in August and October, which targeted businesses in the beauty, hospitality and retail sectors. As with all other activity, there was a strong need for a flexible and considered approach due to the uncertainty around Covid restrictions. We met this challenge head-on with a broad-reach ‘reassurance’ campaign delivered to national media in August, focussing on letting small businesses know that smart meter installations were happening in a Covid-safe way. In October and in response to tightening restrictions, particularly in hospitality, we crafted a more targeted and nuanced campaign aimed largely at trade media to help businesses in this sector identify areas where they could take back control and save some money. Overall the activity achieved 40m impressions with items in the Sun online, independent online and the Mirror online.

The Smart Energy GB PR team continued to respond to media enquiries with speed, quality and accuracy and remains the first port of call for journalists with questions about the smart meter rollout. Operating 24 hours a day, seven days a week, the PR team is on hand to quickly and effectively answer queries from any media outlet while staying abreast of breaking stories and opportunities to amplify messaging.

Throughout 2020 the PR team has seen the Covid-19 pandemic result in an unsurprising decrease in journalists’ enquiries around smart meters. In spite of this, the team has continued its direct engagement with journalists through briefings to make sure they understand the benefits of smart meters.

In 2020 we launched our first ‘always-on’ influencer programme, creating a series of influencer campaigns to support wider press and advertising activity. Campaigns varied from activity aimed to give helpful energy saving tips during the UK’s lockdown measures when the nation spent increased time indoors through to targeted campaigns at specific audiences. For example, to support the Healthcare PR campaign, influencer content from professionals in the industry added authenticity to our message. This allowed us to promote the research findings and smart meter messaging through trusted channels. Activity ran across Instagram and YouTube and included a variety of photo and video content.
Smart Energy GB’s media partnership programme was split into two phases in 2020, each with specialised messaging and objectives.

The first phase of partnerships ran while smart meter installations were paused due to the lockdown across the UK and social distancing measures. This activity supported wider organisational messaging to give helpful and relevant energy saving tips for consumers as they spent more time in their homes than usual. Due to the pause in smart meter installations, the meters themselves were not the focus of this activity. Instead, soft messaging encouraged usage for those who already had one installed. Media titles were chosen based on audience and relevance of messaging. These were Global Radio and the Sun (Fabulous Magazine). The campaign ran over a 4-week period.

Phase two of the programme landed when installations began to ramp up again and return to near-normal levels. Here, the task was to bring smart meters back on the public agenda, reminding consumers of their necessity and the importance of helping both people and the planet. Partnerships ran in The Times, the Daily Mail, across the Reach plc network and immediate magazine titles (e.g. BBC Focus, Top Gear and Radio Times). The partnerships displayed a range of smart meter benefits, dependent on relevant messaging for the title. This included co-branded content in The Times with the Royal Society for the Protection of Birds, demonstrating the importance of smart meters in helping to tackle the climate crisis and preserve our national wildlife.

Smaller-scale partnerships were also delivered in the second half of 2020 with The Scotsman, Daily Record and Wales Online, as well as targeted pieces to support microbusiness and prepay activity.
Digital

As the UK went into lockdown, digital channels became even more important tools for sharing information. Within the first week of lockdown, we launched a page on our website, clearly accessible from the homepage, to keep customers informed on the impact of the pandemic on the smart meter rollout. We also built a tool to help customers reach their energy supplier’s coronavirus information page for more specific information.

As the nation was asked to stay at home, we immediately recognised that home energy usage, and therefore home energy bills, would increase. To help save energy, and following research that showed that many people were spending more time on social media, we created a social campaign that shared energy-saving tips. We asked the audience to share their own energy saving tips in return. We received more than 600 of these tips, and we used the best of these to create more content in the form of videos, polls, and image carousels across Facebook, Instagram, and Twitter. And, with permission, we name-checked each contributor as a ‘thank you’. This campaign was targeted at a low-income audience who were likely to most benefit from energy-saving advice. Results were exceptional. Engagement was 142% above our benchmark. There was a 173% uplift in positive sentiment, and 53% of survey respondents told us the ads made them think about saving energy in a new way. Twitter included this activity in their round-up moment of best brand advertising during lockdown, and the campaign has gone on to be shortlisted for a Digital Impact Award for best use of digital during Covid-19.

For people with a smart meter installed in their home, we launched new website content that provides detailed advice on how they can use their in-home display (IHD) to help them save energy and therefore money.

To prevent brands from capitalising on the pandemic, digital channels quickly put a ban on all promoted content that referenced Covid-19. As a public information campaign, we needed to continue to share energy advice with the nation. We consequently and successfully applied for a special license from Google to promote coronavirus-related energy bills advice with paid search (PPC). This allowed us to help the energy industry keep its customers informed of the latest guidance throughout the crisis.

As restrictions started to ease and the smart meter rollout picked up pace again, we launched a social campaign to let people know that installations were once more underway. Since launch, we have updated this campaign to emphasise that Covid-19 safety measures are always followed during the installation.

To test whether social media is an effective platform to reach business owners, in November, we created a bespoke microbusiness campaign outlining smart meters as a way business owners can gain more control through accurate bills. The campaign ran on both Facebook and LinkedIn. The results performed well against the established benchmarks on Facebook, and the LinkedIn campaign was extended to test a different targeting approach which further improved its performance.
Policy and Public Affairs

Throughout this year, stakeholder communications have proved invaluable in ensuring that the benefits of smart meters during periods of lockdown are understood. The public affairs team developed outreach activity that highlighted how smart meters support those working from home to manage their energy usage even more closely, especially those on a budget. This work involved four newsletters to parliamentarians across Great Britain covering important issues, such as the benefits of smart prepay, energy-saving tips during the pandemic and smart meter myth-busting. Some of this work was delivered in collaboration with National Energy Action and Energy Action Scotland.

In our three parliaments, work continued to ensure that politicians were informed that the rollout continued to deliver benefits to households. We also provided briefings from our new Chief Executive for the three Energy Ministers in each of the Governments.

In addition to these, the team undertook 11 one-to-one briefings and discussions with MPs, MSs and MSPs, covering a number of areas, from progress of the rollout to benefits of those in fuel poverty and the future innovation potential of smart meters.

In Wales, our team worked with Welsh Government officials and the Climate Change Environment and Rural Affairs committee in the Senedd around the nation’s proposed fuel poverty strategy. That resulted in recommendations to support the rollout in the resulting government strategy. Also, ahead of the 2021 elections in Scotland and Wales, the team engaged with party manifesto writers to ensure the smart meter rollout featured in party pledges.

In policy, the team carried out considerable work to ensure policymakers understand the benefits of smart meters and how vital they are to achieving net zero. They responded to 11 consultations across the three nations covering areas such as green recovery, energy efficiency, microbusinesses, fuel poverty and smart charging for electric vehicles.

One key achievement was our work on the UK Government’s consultation on the Smart Meter coordinated consumer engagement framework. This resulted in a change of licence obligations which will ensure our future task aligns with the needs of the rollout, industry and, most importantly, consumers.

The policy team has also embarked on a two-year project to effect change in the private rented sector. This will explore how to remove barriers to smart meter installation in this consumer sector through policy mechanisms so that no-one gets left behind.

In addition to our standard policy work, the team was instrumental in ensuring all our marketing and advertising was fully substantiated before going live. This critical element of our work ensured accuracy and clear, unambiguous messaging. The team also embarked on creating an expert group of industry specialists who will support this fact-checking work.

In late Autumn, in conjunction with 2020Health, we published the Smart Future for Healthcare report. This takes a detailed look at the potential for smart meters and their data to support the health and social care sectors. This was an extensive piece of research to illustrate the wider societal benefits of technology.

To launch the report, the team hosted a successful stakeholder event with over 55 participants and speakers from Smart DCC, UCL Energy Institute and 2020Health. This was the first of numerous stakeholder events designed to share the findings of the research with key organisations, such as those in the care sector and innovators who serve it.

Despite the restrictions of 2020, the team continued to deliver several engagement events. In March, the team in Scotland hosted a stakeholder event in Dumfries to discuss the opportunities presented by smart meters for vulnerable people in rural areas. This was attended by around 30 people, mainly from the local care sector. In north Wales, the team attended the Welsh Conservative Party’s conference where they were able to deliver energy efficiency messaging to MSs and MPs.

The team’s online events also proved to be successful, with around 500 participants across six events. These online sessions covered topics such as fuel poverty in Scotland, Wales’ path to net zero and the benefits of smart technology for small businesses. Fringe events were also held at the virtual Labour and Conservative Autumn Party Conferences.

As part of our work with the microbusiness audience, we established relationships with fourteen relevant organisations across Great Britain, including Enterprise Nation, Business Wales and UK Hospitality. In December, we organised an online panel event with Business Green to promote the benefits of smart meters for small businesses, using case studies and expert panel members to share messaging.

The Public Correspondence team continued to deliver a high-quality service to energy consumers who had questions or concerns about the rollout. In total, they responded to over 650 letters, emails and phone calls from members of the public.
Industry Relations

In 2020 Smart Energy GB evolved its approach to build an ever-closer relationship with energy suppliers. The focus was on keeping them abreast of our campaign activity, working more collaboratively and seeking more and deeper feedback on our work.

In March, Smart Energy GB had to pause and re-plan its activity, owing to Covid-19. We considered the latest intelligence on supplier rollout decisions and data on the impact of suspending campaign activity on the key metrics we are tasked with delivering. In collaboration with energy suppliers, we decided to suspend the national consumer engagement campaign. Throughout the suspension of activity and the subsequent restart phase of the national campaign, we worked closely with the industry to ensure that our campaign activity was aligned to industry approach and met industry needs.

To support the creation of our long-term plan, Smart Energy GB facilitated a consultation with key stakeholders on planning assumptions for the next phase of the smart meter rollout. After presenting the findings of the consultation to our Board, we set up a working group for the long-term planning project. This has seen us partnering with industry to understand how barriers to smart meter installations can be removed. Work in this area will continue in 2021.

To further support our ambition for closer working relationships with stakeholders, we commissioned research to gain stakeholder feedback in order to:

- gain an understanding of stakeholders’ opinions on Smart Energy GB’s role and campaign
- build recommendations from such feedback as to how to maximise our approach to better serve stakeholders and maximise campaign efficiency moving ahead

Smart Energy GB invites all energy supplier members to participate in the Smart Energy GB Industry Relations Forums. These were expanded in 2020 through the creation of sub-groups, allowing us to target communications to relevant colleagues in industry and facilitate focused discussions that contribute to the development of our activity.

This allowed us to leverage discipline-specific expertise and to build relationships with a greater number of individual representatives working in key areas, including:

- Marketing
- PR
- Reactive news
- Customers in vulnerable circumstances
- Policy and public affairs
- Non-domestic/micro-business

Throughout the year, we delivered campaign updates on our activities, taking stakeholders through the objectives, strategy, creative executions and media plans. We engaged on key activity launches across multiple channels, utilising deep-dive discussions at live virtual sessions, bilateral meetings and Requests for Information as part of a consultative process. Deeper engagement through the development cycle of key strands of work, including prepay, reassurance, renters and landlords, and vulnerable customers, will be maintained into 2021 and beyond. We also provided materials and debriefs on Smart Energy GB insight, commissioned research and reports, which suppliers can leverage for their own smart meter communications.

Suppliers continue to be able to access all available presentations, reports and relevant files. The Campaign Assets Folder supports an agile model of asset sharing for suppliers to use in their own campaigns.

Throughout 2020 we also continued to contribute to discussions through various Smart Metering Implementation Programme bodies convened by the Department of Business, Energy & Industrial Strategy. These included:

- The Smart Metering Delivery Group
- The Smart Metering Operations Group
- The Implementation Managers Forum
- The Consumer Reference Group
- The Independent Suppliers Forum
- The Local Pilot Working Group
- The Remobilisation Working Group
Smart Energy GB has seen many changes this year, including welcoming our new Chief Executive, Dan Brooke, to the organisation. Like all organisations, we have faced the challenges that the impact of the global pandemic has presented. We are proud of how our team has come together (despite the prolonged periods of remote working) to support each other and to find new ways of working. Below is a summary of some of the initiatives we have put in place to support our team during this time:

- extending our existing tech provision to ensure we have the best tools at our disposal to enhance our ability to collaborate virtually.
- remote work station assessments
- mental health awareness training for line managers
- virtual notice board to maintain a sense of community in a virtual world
- virtual fitness sessions
- online wellbeing and mobility workshops.
- promoting walking meetings to combat Zoom fatigue
- introduction of our new homeworking policy, so that once we return to office-based working on a permanent basis, those who have benefitted from remote working have the option to continue
- and of course, our fair share of online team building quizzes!

We are proud to have won a ‘Best Workplaces’ award for the fourth year running and once again been recognised as a ‘Centre of Excellence for Wellbeing’. Campaign magazine has also ranked us as a ‘Best Place to Work’ for the third year running.

We have continued our focus on improving diversity and inclusion at Smart Energy GB. We extended D&I training to all members of staff and provided training for our managers on how to support their teams during the pandemic.

This year we have introduced enhanced inclusive recruitment processes, which included setting a target that every recruitment process will include applicants from under-represented categories at the interview stage.

We are proud to have achieved Disability Confident Employer (Level 3) Leader status this year. This has been achieved through our belief in a diverse and inclusive workforce, enabling us to recruit, retain and support skilled, valued people. Each of these has the opportunity to reach their potential in an environment characterised by dignity and mutual respect. We are committed to creating an inclusive working environment, promoting best practice within the organisation and training staff/managers around disability and other protected characteristics. We do this through training sessions, our Disability & Inclusion Working Group and through our CSR and wellbeing programme, Thrive. This includes sending out regular informative emails and hosting a range of awareness-building events.

We actively promote Disability Confident to all of our stakeholders including our supply chain. We have achieved this in a number of ways – through the senior leadership team and through our procurement process, where we have added information to our new supplier form and business code of conduct to strongly encourage Disability Confident sign-up.

This work is actively supported by Dan Brooke, who is the Energy Sector Champion on the Government’s Disability Confident Business Leaders Group, aimed at driving forward the Disability Confident scheme across the UK.

In 2020, as part of our diversity and inclusion survey, we identified that 34 per cent of our paid workforce have a disability, long-term illness or condition that affects their physical health, mental health or behaviour, memory or ability to process information.
Results against our 2020 targets

Large energy suppliers (those with over 250,000 domestic customers or those that provide energy to over 100,000 business premises) have the legal responsibility to set the results that they would like Smart Energy GB to achieve in any year. They exercise this responsibility by determining which goals (and resulting metrics to allow measurement against those goals) should be included in Smart Energy GB’s Performance Management Framework (PMF) for the year. They then also have a responsibility to review Smart Energy GB’s performance against those goals, making any appropriate amendments. Large energy suppliers have exercised this responsibility through the operation of a forum known as the PMF forum. The PMF has met regularly throughout 2020 to review Smart Energy GB’s on-going performance. Its role has been to determine, based on that performance and overall progress in the smart metering rollout, the right goals for Smart Energy GB. In 2020 both PMF forums, (domestic and non-domestic), were independently chaired by Maxine Frerk.

A variety of research sources are used to provide the data against which Smart Energy GB’s performance can be measured. Econometric analysis provides the large energy suppliers and the Smart Energy GB Board with the ability to correctly attribute outcome results to Smart Energy GB’s activities. One of the other sources of data is the twice-yearly national survey of public attitudes to smart meters and energy, provided by research agency Yonder. This is called Smart energy outlook. This survey has one of the largest sample groups of any research focused on public attitudes in the energy sector (over 14,000-person research sample). This means that it provides a robust view of national attitudes, as well as providing a sufficiently large sample to be able to analyse the attitudes of different demographic groups within the national sample.
Seek/accept metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End-H2 2019 Baseline</th>
<th>End-H2 2020 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Definitely Seek/Accept (GB adults)</td>
<td>Monitor</td>
<td>Smart energy outlook as conducted by Yonder</td>
<td>2.19m Or 13%</td>
<td>3.32m Or 17%</td>
</tr>
<tr>
<td>2. Seek/Accept (GB adults)</td>
<td>Maintain or improve percentage</td>
<td>Smart energy outlook as conducted by Yonder</td>
<td>11.07m Or 35%</td>
<td>11.06m Or 38%</td>
</tr>
</tbody>
</table>

Rejection metric

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End-H2 2019 Baseline</th>
<th>End-H2 2020 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Rejecters (GB adults)</td>
<td>Reduce absolute numbers</td>
<td>Smart energy outlook as conducted by Yonder</td>
<td>12.65m Or 40%</td>
<td>11.65m Or 40%</td>
</tr>
</tbody>
</table>

Attitude Sub-demographics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End-H2 2019 Baseline</th>
<th>End-H2 2020 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. cf 1-3</td>
<td>Monitor - 4PM seek/accept percentage</td>
<td>Various</td>
<td>See overleaf*</td>
<td></td>
</tr>
</tbody>
</table>

VFM metric

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End-H2 2019 Baseline</th>
<th>End-H2 2020 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Independent assessment of value for money of paid media prices</td>
<td>Independent audit as conducted by Medablease</td>
<td>A. Excellent</td>
<td>A. Excellent</td>
<td></td>
</tr>
</tbody>
</table>

PR metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End-H2 2019 Baseline</th>
<th>End-H2 2020 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Percentage of GB adults who recall seeing or hearing any news, articles or opinion pieces about smart meters recently who state it made them feel more positive about smart meters</td>
<td>Maintain or improve</td>
<td>As quantified by Hall &amp; Partners independent research</td>
<td>48%</td>
<td>67%</td>
</tr>
<tr>
<td>7. Total earned media impressions containing positive messages about smart meters placed by Smart Energy GB</td>
<td>Maintain or improve</td>
<td>As quantified by Echo Research independent research</td>
<td>250 million (part 1)</td>
<td>43.0G (part 2)</td>
</tr>
</tbody>
</table>

Usage metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End-H2 2019 Baseline</th>
<th>End-H2 2020 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Smart population who have smart functionality reporting “I actively manage how much energy I use around my home.”</td>
<td>Maintain or improve</td>
<td>Smart energy outlook as conducted by Yonder (2020)</td>
<td>41%</td>
<td>40%</td>
</tr>
<tr>
<td>9. Smart population who have smart functionality reporting “a great deal of difference/fair amount of difference” for “What difference, if any, has the installation of a smart meter made to how much energy you use at home?”</td>
<td>Maintain or improve</td>
<td>Smart energy outlook as conducted by Yonder,</td>
<td>41%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Attitude sub-demographics**

<table>
<thead>
<tr>
<th>Metric GB adults</th>
<th>65+</th>
<th>Low income</th>
<th>Prepay</th>
<th>Renters</th>
<th>Offline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely Seek/ Accept (GB adults)</td>
<td>11%</td>
<td>9%</td>
<td>10%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Seek/Accept (GB adults)</td>
<td>38%</td>
<td>24%</td>
<td>29%</td>
<td>41%</td>
<td>40%</td>
</tr>
<tr>
<td>Rejecters (GB adults)</td>
<td>40%</td>
<td>55%</td>
<td>45%</td>
<td>35%</td>
<td>36%</td>
</tr>
</tbody>
</table>

**Microbusiness**

For 2020, the PMF non-domestic forum asked us to monitor two key indicators:
- levels of awareness that smart meters are available to businesses which they would hope would increase on current levels
- levels of seek/accept.

We monitored performance throughout the year and reported latest results to the PMF forum. At the end of the year, 62 per cent of premise-based microbusinesses were aware that smart meters are available to businesses and 21 per cent of premises based microbusinesses would either seek or accept a smart meter (from Yonder research performed in 2021). The end-2020 levels for these two indicators have become the baseline against which we will report performance in 2021 (see subsequent section on page 47 for details).
Environmental management

Environmental achievements
Reducing our environmental impact is important to us. Partnering with the Carbon Trust to measure this against their standards is a key way of demonstrating our success in this area. We are pleased to report that we have been successful in meeting the Carbon Trust Standard for Carbon in 2019/20 with a 22.5 per cent absolute reduction in our footprint over the last 2 years.

This reduction is the equivalent of an average passenger car driving around the circumference of the earth almost 7 times!

In 2020, we recycled 92 per cent of our waste, which is a 10 per cent improvement from when our records started in 2016. It is important to us that none of our waste goes to landfill, so we participate in a ‘zero to landfill’ scheme where our waste is safety processed to provide heating and hot water to over 100,000 UK homes.

Ethical products
One of our environmental objectives is to regularly review products and supplies used in our offices to ensure that our environmental impact is minimised. We have been forced to adapt in 2020 to ensure that we maintained our environment standards when our team were working from home. We partnered with an ethical cooperative to supply our team with an environmentally-friendly stationery pack that included recycled note-pads, post-it notes and pens made out of recycled plastic bottles.

Staff Engagement
Reducing our environmental impact cannot be achieved without an engaged workforce who are fully behind all of our initiatives. One of our key initiatives in 2020 was creating an environmental induction document which illustrates how all of us can be more sustainable at work, at home and in our wider communities. This is used as part of the onboarding process for new team members to inform them of our environmental priorities and also engage them to play a role in fostering an ethos of sustainability to support the wider organisational goals.

Throughout 2020 we held a number of staff engagement sessions to educate and inspire our team to reduce their carbon footprint both at work and at home. We have adapted this during our extended work from home period by sharing helpful articles, top tips and inspirational stories.
Our campaign in 2021

Our marketing and communications activity will continue in 2021 at a similar scale as that planned for 2020. Our budget for 2021 is on par with the budget for 2020. Our task and how we plan to meet it is fully articulated in the Smart Energy GB Consumer engagement plan and budget 2021.

Our role will be to continue to encourage the take up of smart meters and to influence consumers’ behaviour to benefit from this technology. As 58 per cent of consumers are yet to have a smart meter fitted, the scale of the task is still large.

Domestic campaign
In pursuit of that broad aim, the domestic PMF forum has set the following metrics and targets for the 2021 domestic campaign:

<table>
<thead>
<tr>
<th>Area</th>
<th>Metric</th>
<th>End-H2 2020 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek/Accept</td>
<td>1. The percentage of the non-smart GB adult population who state that they would seek or accept a smart meter in the next six months.</td>
<td>11.06m Or 38%</td>
<td>Maintain or improve</td>
</tr>
<tr>
<td>Rejection</td>
<td>2. The number of people in the non-smart GB adult population who state that they would reject a smart meter if offered in the next six months.</td>
<td>11.65 Or 40%</td>
<td>Reduce absolute numbers</td>
</tr>
<tr>
<td>Attitude Sub-demographics</td>
<td>3. cf 1-2 for Low income, Prepay, Renters, Over 65 and Offline adults</td>
<td>Various. See page 40</td>
<td>Monitor – maintain PPM seek/accept percentage</td>
</tr>
<tr>
<td>VFM metric</td>
<td>4. Independent assessment of value for money of paid media prices</td>
<td>A: excellent</td>
<td>A: excellent</td>
</tr>
<tr>
<td>PR metrics</td>
<td>5. Percentage of GB adults who recall seeing or hearing any news, articles or opinion pieces about smart meters recently who state it made them feel more positive about smart meters</td>
<td>57%</td>
<td>Maintain or improve</td>
</tr>
<tr>
<td>Usage metrics*</td>
<td>6. Total earned media impressions containing positive messages about smart meters placed by Smart Energy GB</td>
<td>669.4 million</td>
<td>Maintain or improve</td>
</tr>
<tr>
<td></td>
<td>7. Smart population who have smart functionality reporting “I actively manage how I use energy in my home”</td>
<td>48%</td>
<td>Maintain or improve</td>
</tr>
<tr>
<td></td>
<td>8. Smart population who have smart functionality reporting “a great deal of difference/fair amount of difference” for “What difference, if any, has having a smart meter made to how I use energy at home?”</td>
<td>40%</td>
<td>Maintain or improve</td>
</tr>
<tr>
<td>Installations</td>
<td>9. Rolling weekly run rate of smart meter installations (using Electricity meters as household proxy)</td>
<td>c. 44,000 per week (w/c 4th Oct – w/c 20th Dec)</td>
<td>Monitor</td>
</tr>
<tr>
<td>Mental Availability</td>
<td>10. Spontaneous first mention of a smart meter as a ‘product or service that helps you manage your household energy consumption’ (GB adults)</td>
<td>37% (Q4 2020 average)</td>
<td>Monitor</td>
</tr>
<tr>
<td>Enquiries</td>
<td>11. Google searches for positive information on smart meters, including how to get one (nb. index-based measure)</td>
<td>59 (Q4 2020 average)</td>
<td>Monitor</td>
</tr>
<tr>
<td>Willingness</td>
<td>12. Non-smart population that are very/fairly willing to allow someone in their home to install a smart meter</td>
<td>46% (Q4 2020 average)</td>
<td>Monitor</td>
</tr>
</tbody>
</table>

* NB: The survey question wording for metrics 7 & 8 has been amended for the start of 2021. Comparisons to End-2020 baseline levels are still applicable as the change in wording is minor and is unlikely to impact endorsement levels.
Microbusiness campaign

The domestic PMF forum has reviewed and given direction on the role to be played by Smart Energy GB in delivering the microbusiness campaign. Details can be found in our published consumer engagement plan 2021. This campaign will include deploying activity in the following channels:

- partnering with representative groups and using their own communication channels to their memberships
- working with third party intermediaries (TPIs) so that they use their communication channels to the businesses whom they work with
- earned media (reactive and proactive PR)
- bought media (with trade media focus), and
- radio advertising

The non-domestic PMF forum has confirmed to Smart Energy GB that in terms of monitoring performance in 2021, suppliers will want to evaluate performance against the following metrics and targets:

<table>
<thead>
<tr>
<th>Area</th>
<th>Metric</th>
<th>End-H2 2020 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>1. Amongst premise-based microbusinesses, awareness that smart meters are available to businesses</td>
<td>62%</td>
<td>Increase</td>
</tr>
<tr>
<td>Seek/accept</td>
<td>2. Amongst premise-based microbusinesses</td>
<td>21%</td>
<td>Increase</td>
</tr>
<tr>
<td>Installations</td>
<td>3. Rolling weekly run rate of smart meter installations (using Electricity meters as household proxy)</td>
<td>c. 1,800 installs per week (w/c 4th Oct – w/c 20th Dec)</td>
<td>Monitor</td>
</tr>
</tbody>
</table>

NB: figure includes advanced meter installations, proxy definition for microbusiness used based on kWh consumption, rather than employees.
Management and administrative information

Smart Energy GB’s role and objectives were established in law and are set out in the Modifications to the Standard Conditions of Electricity and Gas Supply Licences, Electricity Distribution Licences and Gas Transporter Licences (Smart Meters). These state that the objectives of Smart Energy GB in 2020 were to:

- build consumer confidence in the installation of smart metering systems by gas and electricity suppliers;
- build consumer awareness and understanding of the use of smart metering systems (and the information obtained through them);
- increase the willingness of energy consumers to use smart metering systems to change their behaviour so as to enable them to reduce their consumption of energy; and
- in respect of Energy Consumers at Domestic Energy Premises only, assist consumers with low incomes or prepayment meters, or those consumers who may encounter additional barriers in being able to realise the benefits of smart metering systems due to their particular circumstances or characteristics, to realise the benefits of smart metering systems while continuing to maintain an adequate level of warmth and to meet their other energy needs.

In support of these objectives, Smart Energy GB’s business model comprises marketing and communications activity. Our staff team is made up of three divisions (Marketing, Communications and Operations).

The management team across the organisation is detailed below:

Claire Baines  
Deputy Director of Strategy and Insight

Dan Brooke  
Chief Executive

Phillippa Brown  
Deputy Director of Specialist Audiences

Robert Cheesewright  
Director of Communications

Josh Coe  
Head of PR

Alistair Gibbons  
Director of Operations

Laura Gurnett  
Interim Deputy Director of Public Relations

Fay Jennings  
Deputy Director of Public Relations

Fflur Lawton  
Head of Public Affairs

Iagan MacNeil  
Head of Policy

Penny Mills  
Head of Digital

Steve Osaer  
Head of Brand and Consumer Advertising

Marcus Reidy  
Head of Insight

Sorrel Shalet  
Head of People

Peta Simey  
Head of Marketing Operations

Victoria Spooner  
Head of Industry Relations

Chris Taggart  
Director of Marketing

Peter Thorne  
Head of Technology

Shaun Tyndall  
Head of Finance and Operations
Smart Energy GB is a not-for-profit company limited by guarantee. The company is governed by a Board, whose make-up is set out in law, led by an independent chair. The Board is made up of:

- a chair
- 2 directors nominated by and representing Citizens Advice
- 2 directors representing energy consumers
- 2 directors nominated by and representing small domestic energy suppliers
- 1 director nominated by and representing non-domestic energy suppliers
- 1 director nominated by and representing non-domestic-only energy suppliers
- 6 directors nominated by and representing relevant energy suppliers (i.e. domestic energy suppliers with over 250,000 customers)

The term of individual directors extends to the annual general meeting that falls two years after their appointment (although they can be re-appointed). Smart Energy GB Board meetings are also attended by observers nominated by and representing the Secretary of State for Business, Energy & Industrial Strategy and the energy network operators. In addition, Smart Energy GB has extended an invitation to Ofgem, the Chair of the PMF forum and the Chair of the Audit and Risk Committee to observe Board meetings.

Non-executive directors

The directors of Smart Energy GB during 2020 are detailed below.

Mark Lund (Chair)  
(appointed 1st Jan 2016)

Alexander Constanti  
(appointed 23rd Jan 2020)

Daren Carter  
(appointed 6th Nov 2020)

Pamela Conway  
(appointed 18th Oct 2019)

Steven Day  
(appointed 6th Jun 2019)

Jill Dougan  
(appointed 24th Sep 2019)

Andrew Green  
(appointed 7th Jul 2020)

Richard Hughes  
(appointed 24th Sep 2019)

Christopher Macleod  
(appointed 11th May 2016)

Fiona Mayo  
(appointed 7th Jul 2020)

Penny Shepherd  
(appointed 14th Jun 2018)

Edward Tarelli  
(appointed 11th Apr 2019)

James Taylor  
(appointed 3rd May 2017)

Dhara Vyas  
(appointed 6th Nov 2018)

Chris Adams  
(resigned 3rd Jun 2020)

Belinda Moore  
(resigned 16th Jul 2020)

Andrew Coleman  
(resigned 12th Mar 2020)

Stephen Rimell  
(resigned 8th Apr 2020)
Audit and risk committee

The Board is supported in its work by an independently chaired sub-committee, the Audit & Risk Committee (ARC). The ARC meets four times a year and is chaired by Hugh Spicer. Its membership in 2020 comprised:

- **Hugh Spicer** (Co-opted independent chair)
- **Christopher MacLeod** (Director, appointed September 2018)
- **Belinda Moore** (Director, appointed September 2018, resigned July 2020)
- **Brian Stratton** (Co-opted committee member and observer to board meetings nominated by energy network operators)
- **Dhara Vyas** (Director, appointed November 2018)

During 2020 the main areas of focus of the ARC have been:

- value for money review of our media plan;
- the risk register;
- key financial policies (e.g. procurement and treasury management);
- the scheme of delegation review;
- a review of governance best practice; and
- the year-end accounts preparation and audit process

The external audit partner was present at two of the meetings during the year.

The ARC has been satisfied with the organisation’s approach to risk management and internal control and has reported no material concerns to the Board.

The chair of the ARC also reports on the work of this committee to members at the company’s Annual General Meeting.

Remuneration Committee

The Board is also supported by a remuneration sub-committee. This committee meets once a year to review the remuneration of the senior leadership team. The committee is chaired by the Chair of the Board. In 2020, the committee’s membership included Mark Lund, Steven Day, Jill Dougan and Chris MacLeod.

Membership

The membership of Smart Energy GB is made up of energy suppliers: relevant suppliers, small domestic suppliers, and non-domestic suppliers. The Board welcomes all applications from licensed energy suppliers to become a member.

Company Number: 08455995
Registered Office: 1 Alfred Mews, London, W1T 7AA
Company Secretary: Alistair Gibbons
Website: smartenergyGB.org
Bankers: Barclays Bank Plc, 27 Soho Square, London, W1D 3QR
Solicitors: Bates Wells Braithwaite LLP, 10 Queen Street Place, London, EC4R 1BE
The business environment

Our activity, costs and risks are dependent on the wider environment of the smart meter rollout, as well as its successful leadership by government, and its delivery by energy suppliers and other parties in the smart metering programme.

This section gives further information on how we performed in the context of that wider environment.

Financial review of 2021

We are a not-for-profit company. We are funded on an annual basis. We agree our budget annually, and funds were received from domestic energy suppliers in 2020, reflecting legal obligations in the Standard Conditions of Electricity & Gas Supply, Electricity Distribution and Gas Transporter Licences.

The budget for the 2020 financial year was originally £36.665 million (2019: £48.434 million). Smart Energy GB finished the year with operating expenses of £31.189 million (2019: £39.734 million). The majority of this expenditure related to public engagement campaigns and included advertising, PR, consumer research, and stakeholder communications and events.

The Statement of Income and Retained Earnings on page 72 presents a nil surplus. The money saved against our budget has been treated as a reduction in the year’s income in accordance with FRS102.

Our staff costs were £5.019 million (2019: £5.201 million), a breakdown of which can be found in note number 3 of the accounts. Details relating to the remuneration of senior management can also be found in note number 3.

Smart Energy GB is not liable to pay corporation tax on its trading profits, as confirmed by HMRC. Indeed, all profits are repayable to energy suppliers. As such, we report a surplus of nil. No tax is therefore payable on our trading surpluses, but we do pay tax, in full, on bank interest received.

As at 31st December 2020, our net assets were £0.374 million (2019: £0.374 million), representing the accumulated surplus of the organisation.

Total fixed assets as at 31st December 2020 were £0.094 million (2019: £0.188 million).

We raised invoices to the value of £13.9 million (ex VAT) for the first quarter’s activity in 2021 before 31st December 2020 in line with our approved budget. All invoices have been deferred and appear on the balance sheet within creditors. Invoices that were unpaid as at 31st December 2020 are included in trade debtors.

It is the Board’s policy to review the financial position of the organisation regularly during the year as well as at year-end. It has reviewed the financial position at each of its meetings during 2020.
Financial outlook for 2021

Our energy supplier members approved by vote our budget of £36.640 million for 2021 for the domestic campaign and £1.649 million for the non-domestic campaign. Details of our 2021 Consumer Engagement Plan and budget can be found on our website at smartenergyGB.org.

Our plans for 2021 were based on analysis of the scale of campaign required to meet the responsibilities set out for us in 2021 by the PMF forum of large energy suppliers (for both domestic and non-domestic).

Large energy suppliers have a duty to keep the PMF that they task Smart Energy GB with delivering under review. Were they at any point in 2021 to change our PMF targets for the year, that could have a material impact on our plans and budget for 2021.

Tracking the continued impact of the pandemic will be critical. Smart Energy GB will have to be flexible to adjust activity to meet the needs of the rollout as it progresses.

If the Smart Metering Implementation Programme fails to deliver remaining technical elements of metering infrastructure in the way that is intended in 2021, this may lead to public concern about the delivery of smart metering and/or reputational damage to smart meters.

If energy suppliers fail to deliver to a sufficient standard, their obligations regarding the booking of installation appointments or the installation of smart meters, this may adversely affect the reputation of Smart Energy GB, who will in 2021 be directing consumers to start their customer journeys with those energy suppliers. Any such failures by energy may also lead to a wider public reluctance to seek out or accept smart meter installations.

Any one of these scenarios could materially affect Smart Energy GB’s ability to meet its targets in 2021. This might result in Smart Energy GB modifying (either reducing, redirecting or increasing within the boundaries of available budget) the amount of activity that is carried out in 2021 to maintain consumer enthusiasm for adopting smart meters.

Value for money

When Smart Energy GB was established in late 2013, as part of its process in setting the strategic direction for the company, the Board considered how the company would best ensure that it reflected its legal obligations to deliver value for money in its activities and operations.

At the time the company considered a number of different value for money models. Each would determine how the company could consistently demonstrate to energy suppliers the following - that through the quality of governance of the Smart Energy GB Board, the company is giving them the assurance that they are meeting their licence obligation to do “such things within [their] power[s] to ensure that in achieving its objectives [Smart Energy GB] acts in a manner which is transparent, impartial, cost-effective and represents value for money”.

The Board decided that, even though Smart Energy GB is not in the public sector, we should reflect the most respected cost-effectiveness/value for money model used by public service organisations - the model that has been developed by the National Audit Office (NAO).

The NAO model is used in all their independent assessment of UK public bodies’ cost-effectiveness and value for money for both service provision organisations (which is relevant for Smart Energy GB when we are delivering campaigns through channels under our own control) and commissioning bodies. The latter is also relevant for Smart Energy GB when we commission other organisations to deliver parts of our campaign on our behalf, such as charities contracted as part of our marketing partnership programme.

The model for the assessment of cost-effectiveness/value for money is set out below, in diagrammatic form as published by the NAO:
The Smart Energy GB Board uses this model in its budget development processes and in its oversight of Smart Energy GB’s value for money in the delivery of planned activities.

The Smart Energy GB Board has an obligation to report on the extent to which expenditure represents value for money.

The Smart Energy GB Board has paid close attention to how Smart Energy GB applies its value for money model and uses its money. The Board is presenting the financial statements with an underspend of £7.2 million against its 2020 budget.

This underspend is a result of:

- stopping significant communications activity during the year as a result of the lockdown
- the local pilot being delayed to 2021
- savings from extensive working from home during the year
- staff costs being lower than anticipated because the pause in the campaign pushed back the timing of planned recruitments

Going concern

The Smart Energy GB Board has considered the funding position and the risks to which the organisation is exposed. Regarding finances, the Board takes comfort from the licence condition obligations on suppliers to fund Smart Energy GB on an annual basis. Therefore, the risk that Smart Energy GB will not be able to meet its liabilities as they fall due is negligible.

Regarding the length of Smart Energy GB’s existence, in considering the going concern status of the organisation, the Board considered the government’s policy on the deadline of the smart meter implementation programme which has been confirmed to be 2025.

The Board considered the risk that energy suppliers decide that they are better placed to deliver Smart Energy GB’s objectives through uncoordinated individual company activity rather than as a coordinated shared venture delivered by Smart Energy GB. Given the weight of evidence of the efficacy of the coordinated approach delivered by Smart Energy GB and the importance of this efficiency and effectiveness in delivering a part of the government’s intended cost/benefits for the smart metering rollout, the Board believes that this risk is low in the foreseeable future.

Covid-19 brought challenges to the rollout during 2020, which resulted in a temporary pause in installations, and a pause in the campaign. Whilst Covid-19 presents some uncertainties in 2021, they do not threaten Smart Energy GB’s ability to continue as a going concern but rather issues that need to be taken into account as we execute our campaigns.

The Board, therefore, have a reasonable expectation that Smart Energy GB has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and are not aware of any material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.
Risk management and internal control
Smart Energy GB has based its breakdown of governance and management responsibilities on a range of good practice, including the description of value for money set out by HM Treasury in its publication Managing Public Money. This model states that “Public sector organisations should have good quality internal governance and sound financial management. Appropriate delegation of responsibilities and effective mechanisms for internal reporting should ensure that performance can be kept on track. Good practices should be followed in procuring and managing resources and assets, hiring and managing staff, and deterring waste, fraud and other malpractice.”

Applying this model has allowed Smart Energy GB to set and keep up to date appropriate policies and procedures regarding (but not restricted to) the following:

- procurement policy
- the full finance manual of all financial policies and procedures
- HR policies and procedures
- delegation of appropriate financial authorities

By applying this model (and also in addition, by receiving annual training on the proper exercise of fiduciary duties), the Board is able to assure itself that it is properly fulfilling a number of its duties under the licenses and also properly exercising a number of the Board’s broader fiduciary duties.

The Smart Energy GB Board has taken a positive approach to risk management and internal control and has welcomed the approach of the senior leadership team to review risks regularly and to use the risk register as an active management tool. The Smart Energy GB Board has conducted formal reviews of the risk register during the year, and this has included the consideration of risks due to Covid-19. It has welcomed the contribution made by the ARC which has also reviewed and contributed to the register during the year.

Although outside our control, the principal risk to the company is any disruption to the planned quality or timescales of the nationwide smart meter rollout; for example caused by any difficulties encountered in the delivery of service by the central smart metering infrastructure (the DCC) or by issues in the quality of smart meter installation customer interaction by energy suppliers and the negative media coverage that could arise from either.

The company attempts to mitigate these risks by informing itself through participating in the stakeholder engagement forums of the Smart Metering Implementation Programme led by the Department of Business, Energy & Industrial Strategy. Risks and uncertainties are actively managed by both the Smart Energy GB Board and the senior leadership team throughout the lifetime of the programme and will influence the design and implementation of our consumer engagement work.

Third-party indemnity insurance is provided for directors to cover them against claims that may arise from their legitimate actions as directors, as long as they have acted honestly and reasonably. This also covers members of the ARC.

We were paid in advance for our activity in the first quarter of 2021 by some energy suppliers.

Statement on compliance with s172(1) Companies Act 2006
The Board of directors of Smart Energy GB consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31st December 2020. In particular:

- our Consumer Engagement Plan and budget was designed to have a long-term beneficial impact on the delivery of the company’s objectives as well as meeting those annual objectives of the PMF forum. We will continue to operate our business within tight budgetary controls and in line with our targets. The plan and budget was developed with, and following the direction of energy suppliers (who constitute the PMF forum)
- our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and wellbeing of our employees are our primary considerations in the way we do business
- our plan was informed by extensive engagement with consumers via a wide variety of research, enabling us to gain an understanding of their attitudes and priorities
- our plan considered the impact of the company’s operations on the community and environment and our wider societal responsibilities, and in particular, how we impact the environment. Not least because our work encourages consumers to better manage their household energy consumption, it’s important we aim to minimise the impact on the environment
- the intention of Board of Directors is to behave responsibly and ensure that management operates the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan
Directors’ responsibilities in relation to the financial statements

The directors are responsible for preparing the Directors’ Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are satisfied that appropriate safeguards are in place to prevent and detect fraud. Incidents of fraud and attempted fraud are reported to the audit and risk committee throughout the year.

So far as each of the directors at the date of this report is aware, there is no relevant audit information of which the company’s auditor is unaware. Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company’s auditor is aware of that information. Crowe U.K. LLP has successfully gone through an audit re-tender process in 2020, and we are pleased to re-appoint them. Crowe U.K. LLP has indicated its willingness to be re-appointed as statutory auditor for the next financial year.

The Directors’ Report, which includes the Strategic Report, was approved by the Board on 10th March and signed on its behalf by:

[Signature]
Mark Lund
Chair
Independent Auditor’s Report to the members of Smart Metering Communications Body Limited

Opinion
We have audited the financial statements of Smart Metering Communications Body Ltd for the year ended 31st December 2020 which comprise statement of income and retained earnings, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
• give a true and fair view of the state of the company’s affairs as at 31st December 2020 and of the company’s incoming resources and application of resources, including its income and expenditure for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.
Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the directors’ report, which includes the directors’ report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the strategic report and the directors’ report included within the directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors’ report included within the directors’ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors’ remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors’ responsibilities statement (set out on page 62), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations, the responsibility for which lies with management and the Board.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and Financial Reporting Standard 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company’s ability to operate or to avoid a material penalty.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit.

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to expenditure recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Our procedures to respond to risks identified included the following:

- results of our enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities;
- enquiry of management about the Company’s policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- reading minutes of meetings of those charged with governance and reviewing internal audit reports;
- enquiry of management about litigations and claims concerning actual and potential litigation and claims and inspection of relevant correspondence;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
Use of our report
This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
65 Ludgate Hill,
London,
EC4M 7JW,
UK
12th March 2021

- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions, in particular dilapidations and bad debt provisions;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.
## Statement of income and retained earning

for the year ended 31st December 2020

<table>
<thead>
<tr>
<th>Notes</th>
<th>£ 2020</th>
<th>£ 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>31,149,298</td>
<td>39,688,671</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(31,224,573)</td>
<td>(39,733,639)</td>
</tr>
<tr>
<td>OPERATING DEFICIT</td>
<td>2</td>
<td>(75,275)</td>
</tr>
<tr>
<td>Other income</td>
<td>79,360</td>
<td>54,631</td>
</tr>
<tr>
<td>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</td>
<td>4,085</td>
<td>9,663</td>
</tr>
<tr>
<td>Taxation on profit on ordinary activities</td>
<td>(4,085)</td>
<td>(9,663)</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME</td>
<td>10</td>
<td>-</td>
</tr>
</tbody>
</table>

The notes on pages 75 to 81 form part of these financial statements.

## Balance sheet

as at 31st December 2020

<table>
<thead>
<tr>
<th>Notes</th>
<th>£ 2020</th>
<th>£ 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>6</td>
<td>93,807</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>7</td>
<td>13,764,132</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>9</td>
<td>9,874,441</td>
</tr>
<tr>
<td>CREDITORS: Amounts falling due within one year</td>
<td>8</td>
<td>(23,356,435)</td>
</tr>
<tr>
<td>NET CURRENT LIABILITIES</td>
<td></td>
<td>280,138</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td>373,945</td>
</tr>
</tbody>
</table>

CAPITAL AND RESERVES

| Profit and loss account | 10 | 373,945 | 373,945 |

The accounts have been prepared in accordance with the Companies Act 2006, is approved by the Board on March 10th 2020 and signed on its behalf by:

Mark Lund
Chair

The notes on pages 75 to 81 form part of these financial statements.
Cash flow statement

<table>
<thead>
<tr>
<th>Notes</th>
<th>£ 2020</th>
<th>£ 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash inflow from operating activities</td>
<td>2,160,836</td>
<td>(3,486,019)</td>
</tr>
<tr>
<td>Cash outflows from investing activities</td>
<td>17,723</td>
<td>(90,759)</td>
</tr>
<tr>
<td>Increase/Decrease in cash in the period</td>
<td>2,178,559</td>
<td>(3,576,778)</td>
</tr>
</tbody>
</table>

**Notes to the financial statements**

**for the year ended 31st December 2020**

1. **Accounting policies**
   The principal accounting policies adopted and critical areas of judgment and estimation uncertainties are as follows:

   a) **Status of company**
   The company was incorporated in the United Kingdom on 21st March 2013 and is limited by the guarantee of its members. The income and property of the company must be applied solely to the objects of the company, and no distribution of any surpluses may be made to its members. As a private company limited by guarantee, registered in England and Wales, each member has no equity interest, and every member has undertaken to contribute an amount up to £1 to the assets in the event of a deficiency or winding up. The company's registered office is at 1 Alfred Mews, London, W1T 7AA (084559995).

   b) **Basis of accounting**
   The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

   c) **Going Concern**
   The Smart Energy GB Board has considered the current financial position of the company for the foreseeable future along with the risk and uncertainties associated with its ability to operate as a going concern. The directors are confident that the company will continue for at least twelve months from the date of approval of these financial statements. They have also considered the period beyond that date as the current statutory period to which the financial statements include depreciation, a provision for office dilapidations and a bad debt provision. The accuracy of the estimation of the bad debt provision depends on whether suppliers are able to pay their invoices, debts are provided against when it becomes probable the supplier will no longer be able to meet their obligation. The uncertainty around these estimations is not deemed to have a significant risk of material adjustment in the future.

   d) **Judgements and estimates**
   The judgements and estimates within the financial statements include deprecation, a provision for office dilapidations and a bad debt provision. The accuracy of the estimation of deprecation depends on the useful economic life of the assets (details of which can be found in note g) below). The accuracy of the estimation of office dilapidations depends on a commercial negotiation with landlords if and when we vacate an office, this has been based on published rate estimations. There has been no change to the provision during the year. The accuracy of the estimation of the bad debt provision depends on whether suppliers are able to pay their invoices, debts are provided against when it becomes probable the supplier will no longer be able to meet their obligation. The uncertainty around these estimations is not deemed to have a significant risk of material adjustment in the future.

   e) **Turnover**
   Turnover represents income received from energy suppliers to meet our operating costs. The contribution from each supplier is agreed annually in advance and is recognised in the Profit and Loss account in the year to which the contribution relates. Contributions paid before the period to which they relate are recorded as deferred income. All amounts stated are exclusive of VAT.

   f) **Intangible assets**
   Intangible fixed assets represent creative development costs capitalised in accordance with FRS102. These are stated at historical cost and amortised on a straight-line basis over the period in which revenue is expected to be generated (five years). Amortisation is recognised within operating expenses in the Statement of Income and Retained Earnings.
g) Tangible assets
All assets are capitalised at cost when expenditure is deemed to meet the requirements for capitalisation as set out in FRS102. Depreciation is provided at the following rates in order to reduce each asset to its estimated residual value over its estimated useful life:
- fixtures and fittings - 25 per cent per annum on cost
- computer equipment - 25 per cent per annum on cost
Depreciation is charged on a monthly basis starting from the month of acquisition. Items purchased over the value of £5,000 are capitalised.

h) Pensions
Defined contributions are paid to the Group Personal Pension Plan via Scottish Widows Ltd in accordance with company policy. The policy allows for contributions from the employer up to a maximum of 8 per cent. The cost of providing for employees' pensions is charged to the profit and loss account as incurred.

i) Operating leases
Rentals under operating leases are charged on a straight-line basis over the lease term. The rent-free period is similarly spread on a straight-line basis over the lease term.

j) Taxation
Contributions from suppliers are not deemed to be trading income for corporation tax purposes. Corporation tax on any taxable income is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

k) Financial instruments
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into:

- All financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Financial assets are de-recognised when and only when:
  - the contractual rights to the cash flows from the financial asset expire or are settled
  - the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset
  - the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party

2. Operating loss/profit
The operating surplus is stated after charging depreciation and amortisation, director’s remuneration, operating lease rentals, audit fee, and auditor’s remuneration for non-audit fees.

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortisation</td>
<td>92,750</td>
<td>486,229</td>
</tr>
<tr>
<td>Director’s remuneration</td>
<td>66,523</td>
<td>62,100</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>796,485</td>
<td>795,590</td>
</tr>
<tr>
<td>Audit fee</td>
<td>19,000</td>
<td>18,950</td>
</tr>
<tr>
<td>Auditor’s remuneration for non-audit fees</td>
<td>1,500</td>
<td>1,750</td>
</tr>
</tbody>
</table>

3. Employee information
Total staff costs were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>4,274,539</td>
<td>4,441,342</td>
</tr>
<tr>
<td>Social security costs</td>
<td>494,715</td>
<td>513,564</td>
</tr>
<tr>
<td>Pension costs</td>
<td>249,529</td>
<td>246,044</td>
</tr>
<tr>
<td>Total staff costs</td>
<td>5,018,783</td>
<td>5,200,950</td>
</tr>
</tbody>
</table>

The average number of employees during the year was 69 (2019: 78).

During the year ended 31st December 2020, £66,523 was paid to 1 director (2019: £62,100).
No director (2019: nil) is accruing benefits under money purchase or defined benefit pension schemes.

Total remuneration for the executive senior leadership team was £1,235,728 (2019: £1,224,981) including all emoluments, pension contributions and employers NI. The remuneration of the senior leadership team was reviewed and agreed by the remuneration committee during the year, as it did in 2019.

During the year Smart Energy GB made termination payments of £96,936 (2019: £97,229), and £77,695 was outstanding at year-end (2019: £37,232).

4. Taxation

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Corporation tax on profits for the year</td>
<td>3,368</td>
<td>9,663</td>
</tr>
<tr>
<td>UK Corporation tax on profits from prior year</td>
<td>717</td>
<td></td>
</tr>
<tr>
<td>Tax charge on profit on ordinary activities</td>
<td>4,085</td>
<td>9,663</td>
</tr>
</tbody>
</table>
5. Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2020</td>
<td>150,000</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
</tr>
<tr>
<td>At 31st December 2020</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Amortisation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2020</td>
<td>150,000</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>-</td>
</tr>
<tr>
<td>At 31st December 2020</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
</tr>
<tr>
<td>At 31st December 2020</td>
<td>-</td>
</tr>
<tr>
<td>At 31st December 2019</td>
<td>-</td>
</tr>
</tbody>
</table>

Intangible assets are fully amortised (2019: fully amortised).

6. Tangible assets

<table>
<thead>
<tr>
<th></th>
<th>£ Fixtures and fittings</th>
<th>£ Computer Equipment</th>
<th>£ Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2020</td>
<td>1,619,949</td>
<td>357,163</td>
<td>1,977,112</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(24,143)</td>
<td>(24,143)</td>
</tr>
<tr>
<td>At 31st December 2020</td>
<td>1,619,949</td>
<td>333,020</td>
<td>1,952,969</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2020</td>
<td>1,582,896</td>
<td>206,421</td>
<td>1,789,317</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>37,053</td>
<td>55,697</td>
<td>92,750</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(22,905)</td>
<td>(22,906)</td>
</tr>
<tr>
<td>At 31st December 2020</td>
<td>1,619,949</td>
<td>239,213</td>
<td>1,859,162</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31st December 2020</td>
<td>-</td>
<td>93,807</td>
<td>93,807</td>
</tr>
<tr>
<td>At 31st December 2019</td>
<td>37,053</td>
<td>150,742</td>
<td>187,795</td>
</tr>
</tbody>
</table>

7. Debtors

<table>
<thead>
<tr>
<th></th>
<th>£ 2020</th>
<th>£ 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>13,153,474</td>
<td>7,557,678</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>(90,000)</td>
<td>(65,457)</td>
</tr>
<tr>
<td>Prepayments</td>
<td>651,050</td>
<td>517,439</td>
</tr>
<tr>
<td>Other debtors</td>
<td>49,608</td>
<td>64,945</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13,764,132</td>
<td>8,074,605</td>
</tr>
</tbody>
</table>

The carrying value of financial assets included within debtors and measured at amortised cost in 2020 was £13,203,082 (2019: £7,622,624).

8. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>£ 2020</th>
<th>£ 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>1,666,884</td>
<td>866,967</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>1,866,013</td>
<td>265,250</td>
</tr>
<tr>
<td>Deferred income</td>
<td>13,866,996</td>
<td>10,327,957</td>
</tr>
<tr>
<td>Accruals</td>
<td>3,496,728</td>
<td>2,582,709</td>
</tr>
<tr>
<td>Year-end underspend to be returned to energy suppliers</td>
<td>2,137,551</td>
<td>1,201,510</td>
</tr>
<tr>
<td>Other creditors</td>
<td>324,263</td>
<td>339,944</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,358,435</td>
<td>15,584,337</td>
</tr>
</tbody>
</table>

The carrying value of financial liabilities included within creditors and measured at amortised cost in 2020 was £5,487,875 (2019: £3,789,620).
9. Lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not later than one year</td>
<td>665,010</td>
<td>880,983</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>665,010</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>665,010</td>
<td>1,545,993</td>
</tr>
</tbody>
</table>

Operating lease expenditure totaling £796,485 (2019: £795,590) was recognised through the Statement of Income and Retained Earnings during the year.

The company had no other off-balance sheet arrangements.

10 Capital and reserves

<table>
<thead>
<tr>
<th></th>
<th>Profit and Loss Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st January 2020</td>
<td>373,945</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td></td>
</tr>
<tr>
<td>At 31st December 2020</td>
<td>373,945</td>
</tr>
</tbody>
</table>

11. Pensions

Defined contributions are paid to the Group Personal Pension Plan via Scottish Widows Ltd in accordance with Company policy. The policy allows for contributions from the employer up to a maximum of 8 per cent.

The total pension cost to the Company for the year ended 31st December 2020 was £249,529 (2019: £246,044).